

LASTING LEGACIES
LOOKING AT THE LONG-TERM IMPACT PRESIDENTIAL POLICIES
HAVE ON THE NATIONAL ECONOMY

by
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Abstract

It is clear that presidents, in their unique position as sole leaders of an entire branch of the federal government, have vast powers at their disposal to utilize during their time in office. It is also clear that the occupants of the White House have always kept one eye on the task at hand and another on how they were shaping their own legacy. As voters and scholars continue to find greater reason to recognize the lasting impact of these legacies on the public, a new standard must be developed to evaluate presidential performance in the long-term. This study provides a framework for such an evaluation. This tool, the Framework for Long-term Economic Examination (or FLEX), is used to determine that a president has the power to influence the long-term national economy through the office's policymaking powers. It also goes further and ranks modern presidents on their success in utilizing these powers to create positive economic change in the long-term. The findings from using FLEX provide a discernable path to move presidential studies forward. It also provides predictions around, and guidance for, the actions future presidents may take in order to have a long-lasting impact on the economy, and, thus, their own legacy.

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Preface

Forward

This thesis is the culmination of the Master of Arts in Government graduate degree at Johns Hopkins University. It represents an original critical and synthetic treatment of a subject within this student's field of study. It documents research formulated independently and presents its findings in a manner consistent with publications in scholarly journals or within scholarly books.

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*For my wife, Emily, without whom this master's program, thesis, degree, or
wonderful life would have never been possible.*

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Table of Contents

| | |
|--|--------|
| Abstract..... | p. ii |
| Forward..... | p. iii |
| Acknowledgements..... | p. iii |
| Dedication..... | p. iv |
| List of Tables..... | p. vi |
| List of Figures..... | p. vii |
| Introduction: Moving Targets..... | p. 1 |
| Chapter I: Looking Forward..... | p. 12 |
| Analyzing Presidential Motivations and Incentives to Create Long-Term Economic Policies | |
| Chapter II: Limited Power..... | p. 36 |
| Analyzing the Success Rate of Presidential Powers and Policies in the Long-Term | |
| Chapter III: Impact Imminent..... | p. 80 |
| Analyzing the Impact of Presidential Powers on the Long-Term Economy | |
| Conclusion: A Path Forward..... | p. 130 |
| Drawing on Our New Knowledge to Understand Future Presidential Policy Decisions and Their Impacts | |
| Appendix..... | p. 148 |
| Bibliography..... | p. 159 |
| Curriculum Vitae..... | p. 166 |

List of Tables

| | |
|--|--------|
| Table 1..... | p. 35 |
| Proposed Policies by U.S. Presidents with Long-term Economic Implications | |
| Table 2..... | p. 50 |
| Number of Executive Orders Per President | |
| Table 3..... | p. 53 |
| Number of Vetoes Per President | |
| Table 4..... | p. 56 |
| Table 4: Judicial Appointments Per President | |
| Table 5..... | p. 57 |
| Supreme Court Nominees and Impact | |
| Table 6..... | p. 59 |
| Number of Long-Term Chairmanship Appointments Per President | |
| Table 7..... | p. 61 |
| Number of U.S. Trade and Investment Treaties Per President | |
| Table 8..... | p. 66 |
| Presidential Popularity | |
| Table 9..... | p. 70 |
| Laws Enacted Under Each President | |
| Table 10..... | p. 72 |
| Hard Power Usage Rankings | |
| Table 11..... | p. 73 |
| Hybrid Power Usage Rankings | |
| Table 12..... | p. 74 |
| Soft Power Usage Rankings | |
| Table 13..... | p. 75 |
| Total Use of Powers by President | |
| Table 14..... | p. 96 |
| Short-Term Economic Performance for Each President | |
| Table 15..... | p. 102 |
| Long-Term Economic Performance for Each President | |
| Table 16..... | p. 106 |
| Long-Term Policy Use and Long-Term Economic Performance Rankings for Each President | |
| Table 17..... | p. 127 |
| Long-term Economic Change Across All Presidents | |
| Table 18..... | p. 142 |
| EOs by President in First 100 Days | |

List of Figures

| | |
|--|-------|
| Figure 1..... | p. 39 |
| Light's Paradox | |
| Figure 2..... | p. 87 |
| U.S. GDP Over Time | |
| Figure 3..... | p. 88 |
| U.S. GDP Per Capita Over Time | |
| Figure 4..... | p. 89 |
| U.S. Household Wealth Over Time as Measured by Net Worth | |
| Figure 5..... | p. 90 |
| U.S. Inflation Over Time | |
| Figure 6..... | p. 91 |
| U.S. Employment Levels Over Time | |
| Figure 7..... | p. 92 |
| U.S. Trade Levels Over Time | |
| Figure 8..... | p. 92 |
| U.S. Budget Deficit Over Time | |
| Figure 9..... | p. 94 |
| U.S. Net Saving and Net Investment as Share of GDP Over Time | |

Introduction

Moving Targets

Analyzing the Impact of Presidential Powers on Innovation and Economic Growth

“Ninety-nine percent of failures come from people who make excuses.”

-George Washington, First President of the United States of America

Shifting Standards

In politics, the question “What have you done for me lately?” sits on many voters’ minds during an election cycle. It is the standard that countless Americans have traditionally used to judge and evaluate a presidential candidate’s viability for office, critiquing them on their actions and the conditions of the most recent term in office. Yet modern presidential campaign tactics seems to indicate that American voters and politicians have begun to use a different standard of performance evaluation.

For example, following the 2007-2008 housing and financial crisis, a major political topic during the 2012 presidential election centered on which candidate was better able to lead the country out of the continuing recession and back to economic prosperity. Interestingly, while Governor Romney took the traditionalist approach and attempted to attribute the slow economic turnaround to the actions of his incumbent opponent, President Obama and his team decided not only to defend his policies from the previous term, but to also ask that voters look at the economy from a long-term standpoint. A memorable moment during the second debate helps to illustrate this unique strategy. Both candidates were asked to respond to the following question from an audience member:

Governor Romney, I am an undecided voter, because I'm disappointed with the lack of progress I've seen in the last four years. However, I do attribute much of America's economic and international problems to the failings and missteps of the Bush administration. Since both you and President Bush are Republicans, I fear a return to the policies of those years should you win this election. What is the biggest difference between you and George W. Bush, and how do you differentiate yourself from George W. Bush?¹

¹ Commission on Presidential Debates, “October 16, 2012 Debate Transcript.” October 16, 2012, Hofstra University, Hempstead, NY. <http://www.debates.org/index.php?page=october-16-2012-the-second-obama-romney-presidential-debate>

The President answered by saying, “Well, first of all, I think it's important to tell you that we did come in during some tough times...we had been digging our way out of policies that were misplaced.”² In other words, President Obama blamed the continued economic struggles of the nation not on his own policies, but on the lingering impact of his predecessor's time in office. He goes even further, claiming that the policies he had put in place just needed more time to reverse these effects, saying “And the plans that I talked about will create even more [jobs].”³ President Obama's argument is there is a unique standard that must be used to judge presidents' economic performances: evaluating the long-term consequences of their actions beyond their own time in office.

Unsurprisingly, this standard came as a result of beliefs already being formed by the voters themselves. Look at the question from the town hall debate again: the audience member states, before either of the candidates had spoken, that she believes “America's economic and international problems” are the result of the “failings and missteps of the [previous] Bush Administration.”⁴ In similar manner, a November 2012 study by the Media Research Center's Business and Media Institute compared news coverage by the major networks for the entire month of September in both 2004 and 2012. It found that President George W. Bush was “blamed more than twice as often as Obama for the economy,” with Bush getting blamed for his “record on jobs” and the deficit by 14% of the news stories

² Commission on Presidential Debates, “October 16, 2012 Debate Transcript.” October 16, 2012, Hofstra University, Hempstead, NY. <http://www.debates.org/index.php?page=october-16-2012-the-second-obama-romney-presidential-debate>

³ Commission on Presidential Debates, “October 16, 2012 Debate Transcript.” October 16, 2012, Hofstra University, Hempstead, NY. <http://www.debates.org/index.php?page=october-16-2012-the-second-obama-romney-presidential-debate>

⁴ Commission on Presidential Debates, “October 16, 2012 Debate Transcript.” October 16, 2012, Hofstra University, Hempstead, NY. <http://www.debates.org/index.php?page=october-16-2012-the-second-obama-romney-presidential-debate>

analyzed, while Obama was only blamed 6% of the time.⁵ Both the question and study capture the shift of standards by the American media, politicians, and citizens in how to judge a president's economic performance, from the short-term to the long-term. This is evidenced by the fact that President Obama, with his continuous rhetoric on needing more time to repair the economic damages done by the Bush Administration, handily won reelection in 2012.

The shift from evaluating short-term accomplishments to long-term legacies creates a need for a new standard of viewing presidential politics. With voters focused on the long-term consequences of presidential actions, future presidential candidates are likely to continue President Obama's example both during their campaign and their time in office. However, just because one campaign has been successful in using rhetoric about the long-term to their advantage does not mean that such claims are accurate, or even true. This study provides a framework for evaluating and quantifying the long-term performance standard. This tool, the Framework for Long-term Economic Examination (or FLEX), is used to determine that a president has the power to influence the long-term national economy through the office's policymaking powers. It also goes further and ranks modern presidents on their success in utilizing these powers to create positive economic change in the long-term. The findings from using FLEX provide a discernable path to move presidential studies forward. It also provides predictions around, and guidance for, the actions future presidents may take in order to have a long-lasting impact on the economy, and, thus, their own legacy.

⁵ Seymour, Julia A. 2012. "Upside Down Economics: A Tale of Two Economies." Business and Media Institute. <http://www.mrc.org/special-reports/upside-down-economics>

New Needs

Questions revolving around presidential power and impact are not new to scholarly work, as both have been studied and debated since even before the U.S. Constitution was ratified. Prevailing theories are often grouped into a few standard categories:

1. **The Imperial Presidency** – the belief that the president, due to their unique position as a single person in charge of an entire branch of government, has the potential to unilaterally act, in some cases even beyond their constitutional limits, to enact policy, with a risk of this consolidation of power growing overtime, as well as during times of military action or national emergency (an idea popularized in Arthur M. Schlesinger, Jr.'s work of the same name).
2. **The President in Political Time** – the belief that the president serves as one member of a large and multifaceted federal government and bureaucracy, and therefore must build various coalitions with other political actors in order to push policy forward (as described by Stephen Skowronek).
3. **The Persuasive President** – the belief that presidents can use their unique platform to advocate a specific agenda, especially in regards to appealing directly to the public (as pioneered by Richard Neustadt).

While, there are several theories regarding the use of power by presidents, only a small subset look at how these powers are used to influence the national economy in the long-term. To date, almost all of the political and economic studies focus on what is called the “political business cycle,” a term coined by William Norhaus to describe the evidence he

found of presidents from each party manipulating monetary and fiscal policy to increase economic productivity in order to increase their likelihood of being reelected.⁶ Norhaus in particular led the charge of testing the economic impact of presidential policies, focusing his works on the indicators of unemployment and inflation. Overall, he found that political actors will choose to “make decisions biased against future generations,” and that presidents seek to manipulate fiscal and monetary policy and governmental institutions to create economic prosperity in periods directly before elections in order to boost popular support, while instilling policies that contract the economy directly after an election to allow for the smallest of political backlashes.⁷

Several scholars, including Edward Tufte, Robert Erikson, Kim Ezra Shienbaum, and Ervin Shienbaum, have further analyzed the subject, looking into disposable income, per capita income, and public perception and approval ratings. All of them reached the same conclusion as Norhaus: that presidents, as the imperial president theory suggests, have the power to influence the economy and use that influence to their own political benefit. Scholars such as Douglas Hibbs go even further in their evaluation, and establish a partisan theory to the political business cycle, claiming that while Democrats keep economic standards at normal and consistent levels before heightening them before elections, while Republicans actively contract the economy so that the pre-election elevation seems more dramatic.⁸ The political economic cycle can even be used to determine whether or not a presidential candidate will be elected to office, providing “even a better predictor of

⁶ Norhaus, William D. 2001. “The Political Business Cycle.” *Review of Economic Studies*, 169-90.

⁷ Norhaus, William D. 2001. “The Political Business Cycle.” *Review of Economic Studies*, 187.

⁸ Hibbs, Douglas A.. 1987. *The American Political Economy: Macroeconomics and Electoral Politics*. Cambridge, Mass.: Harvard University Press.

presidential election outcomes than the electorate's relative attraction to the Democratic and Republican candidates.”⁹

This analysis of presidential economic actions, however, only concerns the time before a president is running for reelection, ignoring his work during the full-length of his term, and the results of that entire body of work when he is no longer the candidate seeking office. Only recently have scholars begun applying traditional theories of presidential power to the long-term. In particular, Larry Bartels' *Unequal Democracy* (2008), serves as a basis for several modern political economists to demonstrate that political time mattered more than the political business cycle in determining long-term economic outcomes. Originally, Bartels sought to extend the previous political business cycle and partisan theory of Hibbs from the short-term to the long-term. In his analysis, Bartels studied the impact of Democratic and Republican presidents on the growing level of income inequality during the past four decades. Bartels concluded that the political business cycle does exist, and that Republicans have contributed the greatest amount to income inequality.¹⁰

However, Jacob Hacker, Paul Pierson, James Campbell, and Lane Kenworthy all contradict this theory, claiming that the long-term inequality is not a party standard, but rather consistently growing over presidents of both parties during the forty-year period. In an effort to better flesh out the president's impact on the issue of income inequality in the long term, Paul Pierson and Jacob Hacker used Skowronek's theory of political time to determine that political coalition building over the long-term is the greatest power the president can use to shape the long-term economy and create lasting pieces of policy and

⁹ Erikson, Robert. 1989. "Economic Conditions and The Presidential Vote." *The American Political Science Review*, 83, no. 2: 567.

¹⁰ Bartels, Larry M.. 2016. *Unequal Democracy: The Political Economy of the New Gilded Age*. Second edition. New York: Russell Sage Foundation.

legislation.¹¹ Using the George W. Bush tax cuts as an example, Pierson and Campbell show that such a law could not have been passed, let alone renewed over several following years, had it not been for the coalition of party leaders, interest groups, lobbyists, and citizen activists over the years preceding Bush's presidency. These individuals and groups were necessary to provide the support to enact such a wide-sweeping economic policy, and to keep it in place through continued activism and institutional checks even after President Bush had left office. Thus, presidents who can build such strong coalitions, or utilize those that already exist, have a much greater pool of power to shape long-term economic conditions than any one party or individual president can do over a short amount of time.

While these efforts provide the first substantial look at comparing presidents' political and economic success over the long-term, there are many gaps and flaws to the still somewhat new research that has only taken place over the past decade. First, Pierson and Hacker dismiss all other forms of presidential power, including the veto and appointments powers, as insignificant in the analysis of policymaking. As earlier studies of presidential influence show, there are a wide variety of powers available to the president that need to be considered, and such powers as the president's role as chief negotiator in foreign affairs can have significant impacts on policymaking, both domestically and abroad. Therefore, empirical testing must be done on the effectiveness of these powers before they are completely ruled out. Furthermore, modern political economists have focused a bulk of their studies on the question of what caused the rapid income inequality of the past forty years. While important, economic policies with long-reaching impacts, such as the Bush tax cuts, the Affordable Care Act, or the Great Society legislation, should also be analyzed. Finally,

¹¹ Hacker, Jacob S. and Paul Pierson. 2012. "Presidents and the Political Economy: The Coalition Foundations of Presidential Power." *Presidential Studies Quarterly*, 42, no.1: 101-131.

the relevant economic impact of these policies, such as if the Bush tax cuts have either increased consumption and saving by Americans, has not been considered, and must be before a long-term economic policy can be categorized as a failure or success. Unfortunately, the papers listed here, and the handful of other studies like them, have only focused their analysis on single policy issues, most often income inequality over time, so that no single or group of studies has yet to provide a complete picture of what is the full extent of a president's abilities to influence the national economy beyond his own time in the Oval Office.

Moving Forward

This study begins filling this gap of knowledge on and answer these important questions. The first chapter addresses whether or not there is evidence that presidents have intentionally sought to pass policies with long-term economic consequences, and, if so, why? In order to know if constituents can truly hold presidents accountable for the long-term impacts of the policies they pass, we must first determine if such results are the desire and intent of the presidents themselves, and what incentivizes them to pursue such actions. This historical evaluation will rely upon primary sources in the form of presidential speeches and archived documents, as well first-person interviews with various economic advisors to various recent presidential administrations.

The second chapter builds off the results of the first, and seek to answer which presidents were successful in passing policies that had long-term economic impacts and why they were able to do so. To answer this question, the study seeks to identify which powers of the Office of the President are most well suited for deploying to create policy. Furthermore,

analysis is completed to determine which of these policies survived into future administrations, as those that are overturned, amended, or otherwise changed from the original intention do not provide the longevity necessary to have an impact on the long-term national economy. To do this, the chapter sets the parameters and foundation for what types of powers presidents have deployed to make these policies a reality for the people.

The third and final chapter takes the evidence gathered previously, and focus on the set of presidential powers determined to be the most effective in creating these policies. This installment serves as a policy prescriptive section, taking the learnings from the previous chapters of this work, as well as bringing in outside research on economic growth and policy, and finally presenting a quantitative analysis of various economic and policy data points to provide evidence of the actual impact on the national economy from a president's long-term policies. Additionally, this analysis provides a possible path forward for future presidents seeking to successfully establish their own long-term economic policies with positive outcomes for the nation.

Each of these chapters will be constructed in similar fashion, with an introduction to the specific topic being analyzed, followed by details on the data and calculation methods used for each one specifically. The following sections will include tables and graphs to help visualize the results of the data gathering, and will conclude with any inferences that can be determined from the analysis that was performed. Such topics as those being discussed understandably draw from much of the research already performed, but in order to add to this literature, this study also pursues specific ideas not yet analyzed. That being the case, shortcomings in the data and analysis, as well as possible solutions for further and future studies will be addressed in the final chapter of this work, which will also discuss the comprehensive conclusions that can be drawn from all of the previous chapters. Ultimately,

the concluding chapter will also offer policy recommendations to not only improve America's performance when dealing with these topics of both the political process and the national economy, but also that of the rest of the world's, given the far-reaching impact of the U.S.'s policy choices in these areas. The last pages will contain a complete list of references utilized throughout this work, and a curriculum vitae of the author.

Chapter I

Looking to the Horizon

Analyzing Presidential Motivations and Incentives to Create
Long-Term Economic Policies

*“We did not come to **fear the future**. We came here to **shape it**.”*
– Barack Obama, Forty-Fourth President of the United States of America

Start with the Basics

Before determining the effectiveness of a president's long-term policies and their economic impact, the most basic of questions must first be asked: do presidents even have the hope and desire to create such lasting policies? Intuitively, it would make sense that they do: why spend all the time, energy, and money required to get elected to the highest office in the land only to enact policies that will be overruled or changed once you leave? Or to view it from a different angle: to understand how important a president's legacy is to him, just look at the how often one of the first things a president does after leaving office is write a memoir and build a library. If a president's goal was only to win re-election and influence the nation while in office, why keep talking about your administration's triumphs and failures of the past, as well as try to influence later generations with your political ideals?

But such assumptions cannot be made when tackling questions of policies and their impact on a national scale. If presidents are being held to the standard of what their long-term impact is, as defined by the Framework for Long-term Economic Examination (FLEX), then this study must first identify whether or not presidents themselves see their actions as having such an impact beyond their own time in office. It is true that political pundits, journalists, and the general public at least are enamored by the idea of judging a past president's performance, and evaluating their impact even decades after they have left office. As Costas Panagopoulos states in his empirical analysis of ex-presidential approval ratings, "Political observers and presidents alike are preoccupied with the notion of presidential legacy. Speculation about how presidential actions will be viewed by future generations

weighs heavily on the minds of chief executives.”¹² How can Panagopoulos make such a bold claim as to know what past presidents are preoccupied with? According to fellow scholars Kathryn Dunn Tenpas, Emily Charnok, and James A. McCann, one simply needs to pick up one of the many books written by former presidents:

To be sure, presidential memoirs are replete with references to one’s place in history and long-term legacy – reflections that appear to loom more heavily the longer a chief executive occupies the White House.¹³

Tenpas, Charnok, and McCann provide empirical evidence supporting these observations. By analyzing presidential flight and travel histories, the authors found that presidents focused their first-term visits on destinations key to winning reelection (for example, battleground states). However, in their second term, if they had one, travel logs provide “at least two broad lessons...one is that without the shackles of the permanent campaign, presidents are liberated to pursue their own goals (legacy building); and second, a liberated president tends to spend more time abroad.” These authors also bring up an intriguing point relevant to the question about presidential motivations when creating policies: do one-term presidents act differently than two-term presidents? Would presidents in their second term, with no chance of (or need to concern themselves over) running for office again, be more likely to enact economic policies with long-term implications than

¹² Panagopoulos, Costas. 2012. “Ex-Presidential Approval: Retrospective Evaluations of Presidential Performance.” *Presidential Studies Quarterly*, no. 42: 719-729. <https://doi.org/10.1111/j.1741-5705.2012.04014.x>

¹³ Dunn Tenpas, Kathryn and Charnock, Emily and McCann, James A.. 2012. "Second-Term Presidential Travel: The Impermanent Campaign and the Rise of Legacy-Building, 1957-2009." APSA 2012 Annual Meeting Paper, Available at SSRN: <https://ssrn.com/abstract=2107307>

presidents acting in their first, and sometimes only, term? According to administration memos from President Reagan's tenure:

“It seems to me that the President needs to decide what his legacy is going to be,” [Tom] Korologos wrote on January 24, 1985, a few days after Reagan's second inaugural. “What is he going to be the most proud of when he's sitting at the ranch with Nancy four and five years after his Presidency? Is it going to be an arms control agreement? Is it going to be a balanced budget? Is it going to be worldwide economic recovery? Is it going to be a combination of all of this: peace and prosperity? . . . Every speech; every appearance; every foreign trip; every congressional phone call and every act involving the President should be made with the **long-range** goal in mind.”¹⁴

This chapter provides further evidence to the theory that presidents do indeed act with a long-term impact in mind. To build this evidence, this chapter first outlines the specific criteria of evaluation and the definitions of terms necessary to limit the scope of the study to only those presidents and presidential actions that have a long-term economic impact, and do so in a non-partisan, non-biased manner. The next section then utilizes original source materials from presidents themselves and their advisors in order to determine whether or not each administration actually sought to establish any long-term economic policy during their time in office. By this chapter's conclusion, it is clear that presidents do indeed have goals of establishing long-term economic policy, that they have attempted to do so throughout each administration, and that there are identifiable goals that can be tracked and tested for success or failure in further analyses utilizing the Framework for Long-term Economic Examination (FLEX) established throughout the rest of this thesis.

¹⁴ Ryan Lizza, “The Second Term: What Would Obama do if Reelected?” http://www.newyorker.com/reporting/2012/06/18/120618fa_fact_lizza#ixzz23NpvnSaR (accessed August 12, 2012).

Terms

As is the case when dealing with any political institution as long-established as the Presidency of the United States of America, specific criteria and definitions for key terms must be in place in order to ensure against bias and “cherry-picking” of data to serve either a specific political or theoretical agenda over another. Thus, this section briefly describes the methods used in acquiring the data for this analysis, detailing the standards for which data was relevant and not, and how it will be used to answer the critical questions that have thus far been raised.

Presidents: In order to avoid bias based on political partisanship, six modern presidential administrations were chosen for analysis, three from each party, and each party serving the same amount of time and terms in office (three presidents, combining for five total terms). This subset of modern presidents was also chosen for analysis because they served in a time following the greatest economic policy expansion by any president under President Franklin D. Roosevelt’s New Deal. Not including FDR allows the statistical problems associated with this outlier to be put aside, while also providing a set of controls on other factors not analyzed in this study, such as level of worldwide economic trade, technological capabilities, and overall political circumstances. Though there are marginal differences in these factors for each administration, they are relatively stable over the modern era, especially when considering the vast differences in these circumstances for administrations across different centuries. Additionally, the most recent presidential administrations, of Presidents Trump and Biden, have not been included as the long-term impacts of their policies have yet to be seen, let alone be measured and analyzed. Further studies should include earlier presidents in

order to see if there are any greater historical patterns of presidential actions in creating long-term economic policies, though these studies will need to control for the outliers and outside factors previously mentioned. Thus, the presidents evaluated here include:

- President Jimmy Carter (D) – 1 Term
- President Ronald Reagan (R) – 2 Terms
- President George H.W. Bush (R) – 1 Term
- President Bill Clinton (D) – 2 Terms
- President George W. Bush (R) – 2 Terms
- President Barack Obama (D) – 2 Terms

Long-term: This study distinguishes between long-term and short-term economic policies. To do so, it establishes that the long-term policies have an economical impact or consequence during a time ***after*** that president’s term in office is completed. Thus, policies enacted that change often, and are not consistent over a period of time, such as the Fed’s established inflation rate, are not considered long-term, though the appointment of Fed officials, with terms lasting fourteen years, will be considered long-term. Nor will policies that have a specific “expiration date,” that ends their effectiveness after a certain amount of time without chance for reenactment, be considered. Long-term policies are enduring, insofar as they have a relevant impact on the national economy beyond the time a president leaves office, as long as they do not get overturned or overruled by the courts, or be repealed by either their successor or Congress before they have a chance to do so.

National Economy: This study focuses on those long-term policies that impact only the national economy as a whole. Thus, policies enacted that have a limited scope or focus only on a specific locality or state are not to be considered. Policies must have a discernable impact on at least one of the following common measures of a country's economic performance: GDP, Employment Levels, Overall Trade, Personal Income, Household Wealth, Inflation Rates, and Budget Deficits.

Hopes & Dreams

To begin, the first step must be to see what the presidents themselves have said in regards to the policymaking plans they wished to accomplish while in office. Using the definitions of what constitutes a long-term, national economic policy issue, this chapter looks through each of the six presidents' inauguration addresses, joint addresses to Congress, and State of the Union speeches. These often serve as the "laundry-list" of policy goals that the presidents have for their terms and the individual years ahead, and seek to identify any proposals that match the aforementioned criteria. Additionally, interviews were conducted with former Directors of the National Economic Council and Chairmen of the Council of Economic Advisors for each administration who were willing to answer this study's questionnaire, which provide a more detailed look at each president's economic goals from not only leading experts in the field, but also those with the greatest access to the presidents' inner economic workings (See Appendix). These are paired with the annual Economic Report of the President, which is produced by the Council and sent by the President to Congress each year to provide both an update on the status of the nation's economy, as well as a detailed list of actions the president intends to take in regards to economic policy.

A president's inaugural address lacked detailed plans for creating economic policy during each of their terms, every president instead focusing on listing the problems of the national economy that they hoped to confront, without providing many specifics on how they would do so. Even President Reagan's first inaugural, with the most references to economic policy issues of any president in this sample, failed to provide substantial policy goals, saying only "[t]his administration's objective will be a healthy, vigorous, growing economy that provides equal opportunity for all Americans, with no barriers born of bigotry or discrimination."¹⁵ The State of the Union (SOTU) addresses and the Economic Reports of the President, however, provide a much clearer picture of specific policy goals, legislation proposals, and unilateral action the presidents wished to take to combat the economic ills referenced in each of their inaugurals. The interviews with the presidents' economic advisors provided an even more candid insight into which policies were most important to each administration's overall policy goals and received the most attention to the president and the staff.

What most inaugural addresses did showcase, however, was a glimpse into how presidents viewed the short-term versus the long-term implications of their being elected to the highest office in the land. In several speeches, the newly elected president spoke about how the actions they would take while in office would affect future generations, most notably in those of Presidents Reagan, Clinton, and Obama. Interestingly, these three also represent a majority of the two term presidents represented in this sample. Each of these president's SOTUs and Economic Reports also show signs of specific policies focused on creating changes lasting beyond their own time in office, suggesting that there may be a

¹⁵ Peters, Gerhard and John T. Woolley. 1981. "Ronald Reagan, Inaugural Address Online," The American Presidency Project. <https://www.presidency.ucsb.edu/node/246336>

correlation with passing long-term economic policies and a president serving a second term. Overall, it is also interesting to note that all of the presidents in this sample entered office at different points over a thirty-year period, they often sought to address the same issues, albeit through different methods of ideology and practice depending on the individual. This suggests that within this study's sample, there is consistency with the problems each president was trying to solve, and thus allows us to better control for this aspect during the analysis across the various administrations.

President Jimmy Carter

As the first president in this analysis, chronologically, President Jimmy Carter set the standard in the inauguration addresses by only vaguely referring to the economic issues facing the nation. Instead, Carter's speech emphasized morality and religion as key components of his incoming administration, saying of his plans that "[t]hese are not just my goals, and they will not be my accomplishments, but the affirmation of our Nation's continuing moral strength and our belief in an undiminished, ever-expanding American dream."¹⁶ This is to be expected, as Carter's road to the White House occurred in the wake of the Watergate Scandal, which had shaken the public's trust in the president's morality and actions.

Like his successors, however, Carter was much more detailed in his Economic Reports of the President, specifically the first one he submitted to Congress in 1978. In it, the new president lists the following economic goals for his administration:

¹⁶ Peters, Gerhard and John T. Woolley. 1977. "Jimmy Carter Inaugural Address Online," The American Presidency Project. <https://www.presidency.ucsb.edu/documents/inaugural-address-0>

- Passage of his energy plan
- Management of federal budget expenditures, reducing the federal deficit, and balancing the budget
- Using tax reductions to promote steady economic expansion
- Attacking structural unemployment
- Promoting business capital formation
- Reducing inflation
- Policies that promote economic recovery throughout the world

Furthermore, Carter spends the remaining sections of his Report expanding on each of these goals in detail, and it is clear that Carter saw these policies as having a long-term impact beyond his own term. For example, when describing his energy plan, the president states that “[w]ithout decisive action...these forces could severely limit the potential for continued economic progress over **the coming decade**. The United States has no choice but to adjust to **the new era** of expensive energy.”¹⁷

It is thus clear that President Carter had hoped to achieve a great deal while in office that would have a lasting impact on the national economy. Further insight into these intentions is evidenced in his final Economic Report. There, the president not only lists his administration’s accomplishments, but also includes a section entitled “Unresolved Issues.” There, he charts all of the areas in which he felt more work needed to be done and provided a pathway for his successors to take in order to accomplish these goals since he was not able

¹⁷ Peters, Gerhard and John T. Woolley. 1978. “Jimmy Carter, Annual Message to the Congress: The Economic Report of the President Online,” The American Presidency Project. <https://www.presidency.ucsb.edu/documents/annual-message-the-congress-the-economic-report-the-president-10>

to do so. Even while leaving office, President Carter attempted to help steer the direction of the country, a tradition other presidents continued.

President Ronald Reagan

President Reagan's first speech to a joint session of Congress was one of the most heavily focused on the economy of any president in this sample. Laying out his long-term policy goals, Reagan called for the following reforms:

- Slow the growth of government spending
- Reduce tax burdens
- Regulatory reform
- Controlling money growth
- Expanding international trade¹⁸

These goals embodied the long-term path Reagan had set out on during his first inaugural address, where he stated that “[w]e must act today in order to **preserve tomorrow.**” In fact, the policies listed above were simply expansions of the plan he had already outlined in his inaugural for the economy:

In the days ahead, I will propose removing the roadblocks that have slowed our economy and reduced productivity. Steps will be taken aimed at restoring the balance between the various levels of government. **Progress may be slow--measured in inches and feet, not miles--but we will progress.**

¹⁸ Peters, Gerhard and John T. Woolley. 1981. “Ronald Reagan, Address Before a Joint Session of the Congress on the Program for Economic Recovery Online,” The American Presidency Project. <https://www.presidency.ucsb.edu/documents/address-before-joint-session-the-congress-the-program-for-economic-recovery>

We must simplify our tax system, make it more fair, and bring the rates down for all who work and earn.

I will shortly submit a budget to the Congress aimed at freezing government program spending for the next year. Beyond that, we must take further steps to permanently control Government's power to tax and spend.

We must act now to protect future generations from Government's desire to spend its citizens' money and tax them into servitude when the bills come due. Let us make it unconstitutional for the Federal Government to spend more than the Federal Government takes in.¹⁹

As can be seen, the president made sure to point out that these actions were not meant just to secure certain economic conditions for the present, but were necessary to “protect future generations.”²⁰ Thus, from his first day on the job, Reagan was clear that his policies would, and should, have a long-lasting impact on the national economy.

President George H.W. Bush

Reagan's successor, President George H.W. Bush, is the first, and only, example of a president entering office following the tenure of a member of his own political party. This dynamic is evidenced in the fact that H.W. Bush's inaugural address sought to build off of his predecessor's successes rather than chart a completely new course, saying:

A new breeze is blowing, and a nation refreshed by freedom stands ready to push on...this is a time when **the future** seems a door you can walk right through into a room called **tomorrow**...We know what works...We know what's right...For the first time in this century, for the first time in perhaps all history, man does not have to invent a system by which to live.²¹

¹⁹ Peters, Gerhard and John T. Woolley. 1981. “Ronald Reagan, Inaugural Address Online,” The American Presidency Project. <https://www.presidency.ucsb.edu/documents/inaugural-address-11>

²⁰ Peters, Gerhard and John T. Woolley. 1981. “Ronald Reagan, Inaugural Address Online,” The American Presidency Project. <https://www.presidency.ucsb.edu/documents/inaugural-address-11>

²¹ Peters, Gerhard and John T. Woolley. 1989. “George Bush, Inaugural Address Online,” The American Presidency Project. <https://www.presidency.ucsb.edu/documents/inaugural-address>

Yet, the new president did not completely mirror his friend and mentor. Though a pattern is beginning to emerge on the types of issues the presidents seem to be most focused on (inflation, government budgets, international trade), a look at H.W. Bush's first Economic Report showcases his own unique priorities for long-term economic policy:

- Reduce government borrowing
- Monetary policy focused on growth as well as reducing inflation
- Removing barriers to innovation, investment, work and saving in the tax, legal, and regulatory systems
- Avoiding unnecessary regulation and redesigning regulatory programs
- Increasing free trade and open markets²²

Like Carter before him, however, H.W. Bush was unable to win reelection and thus did not have as long as others to put these policies in place. Of note, however, while Carter's final Economic Report presented specific economic policy prescriptions for future administrations, H. W. Bush focuses more on what his own policy attempts tried to achieve, and why he thought they were important to undertake. However, this difference in presentation does not diminish H.W. Bush's hope that his policies will last into the future. In the same Report, he says "**America's future can and should be bright...**The reform proposals I have put forward during my Administration, if enacted, would greatly enhance **long-term economic growth**, providing the foundation for higher living standards, a **better legacy of prosperity for our children**, improved social and economic mobility for

²² Peters, Gerhard and John T. Woolley. 1990. "George Bush, Message to Congress Transmitting the Economic Report of the President Online," The American Presidency Project. <https://www.presidency.ucsb.edu/node/300352>

the disadvantaged, more resources to pay for nontraditional goods and services such as a healthier environment, and **for maintaining America's economic and geopolitical leadership into the twenty-first century.**"²³

President Bill Clinton

As the president during the turn of the century, President Clinton's speeches, addresses, and reports are filled with a great deal of rhetoric on the long-term impact of his policies, as he and the country looked to a new era of American prosperity. President Clinton put his goals and expectations in the clearest of terms, saying "our plan looks **beyond today's** business cycle because our aspirations **extend into the next century**. The heart of this plan deals with **the long term.**"²⁴ This plan included:

- Deficit reduction
- Increasing public investment in technology, infrastructure, the environment, and education
- Reforming the healthcare system
- Opening foreign markets
- Improving the efficiency of government

Clinton's final Economic Report, as was the case with all of the others, highlighted the economic successes during his time in office. However, a great deal of the Report also

²³ Peters, Gerhard and John T. Woolley. 1990. "George Bush, Message to Congress Transmitting the Economic Report of the President Online," The American Presidency Project.
<https://www.presidency.ucsb.edu/node/300352>

²⁴ Peters, Gerhard and John T. Woolley, 1993. "William J. Clinton, Address Before a Joint Session of Congress on Administration Goals Online," The American Presidency Project.
<http://www.presidency.ucsb.edu/sou.php>

focused on one final policy: the 2001 proposed budget. While not a laundry list of proposals for his successors to follow, nor a principle-based guide for a president of the opposing party to draw upon when creating future economic policy, Clinton's 2001 Economic Report is clear in that the 2001 proposed budget should be adopted and would have long-lasting benefits for the national economy, stating:

If we stay on this path, we can make America debt-free **by 2012**...The 2001 budget also continues our strategy of investing in our people...A new, \$1.2 billion investment will help thousands of school districts make emergency repairs and renovations to our children's classrooms...The new budget also includes our historic New Markets and Renewal Communities Initiative, the most significant effort ever to help hard-pressed communities lift themselves up through entrepreneurship and access to new capital...this initiative will spur billions in private investment in communities that have not yet shared in our great economic revival.²⁵

President George W. Bush

His successor, President George W. Bush, sought to continue and expand upon the groundwork from the previous Republican administrations of both President Reagan and H. W. Bush, his own father. As Bush's Chairman of the Council of Economic Advisors Keith Hennessey says, "The income tax rate cuts, dividend tax rate cuts, Social Security reforms, and energy policies are all notable examples of a long-term policy focus" that the administration had during their time in office.²⁶ These, and other policies W. Bush sought to enact can be summarized as follows:

- Restraining spending by eliminating government programs
- Reforming Social Security

²⁵ Peters, Gerhard and John T. Woolley. 1993. "William J. Clinton, Message to Congress Transmitting the Economic Report of the President Online," The American Presidency Project. <https://www.presidency.ucsb.edu/node/300364>

²⁶ Hennessey, Keith. Interview #4, Appendix, 2013.

- Tax reform
- Healthcare reform, specifically Medicare reform
- Litigation reform
- Securing the nation's energy supply
- Reforming education and workforce training programs

As is the case with the previous presidencies, W. Bush's proposed policy goals would have wide ranging impacts on entire industries, communities, and individuals across the United States, and would have long-lasting effects if left in place. Hennessey provides further insight into how the administration viewed the longevity of the policies, saying "In 2002 and early 2003 we had a short-term focus, as well as in the second half of 2008. During the rest of the Bush Administration the principal economic focus was on policies to maximize long-term economic growth."²⁷ These focuses are not surprising when the recessions following the September 11th attacks and the housing and financial crisis of 2008 are taken into account, which called for immediate action to stabilize the national economy. It is important to note, however, that according to his economic advisors, W. Bush's economic policies were otherwise always focused on creating long-term impacts.

President Barack Obama

Finally, President Obama, entering office during the worst economic downturn since the Great Depression, did not limit his economic policy goals to only the immediate crisis. In his first inaugural address, Obama was already looking to the larger legacy he hoped his presidency would leave behind after he was no longer in the White House:

²⁷ Hennessey, Keith. Interview #4, Appendix, 2013.

The state of the economy calls for action, bold and swift, and we will act not only to create new jobs, but to **lay a new foundation** for growth. We will build the roads and bridges, the electric grids and digital lines that feed our commerce and bind us together. We will restore science to its rightful place, and wield technology's wonders to raise healthcare's quality and lower its cost. We will harness the sun and the winds and the soil to fuel our cars and run our factories. And we will transform our schools and colleges and universities to meet the demands of **a new age**. All this we can do. And all this we will do...Let it be said by **our children's children** that when we were tested we refused to let this journey end, that we did not turn back, nor did we falter; and with **eyes fixed on the horizon** and God's grace upon us, we carried forth that great gift of freedom and delivered it safely to **future generations**.²⁸

Four years later, Obama continued to look to the future with his rhetoric and policy proposals, saying “We must act, knowing that today’s victories will be only partial and that it will be up to those who stand here in **four years and 40 years and 400 years hence** to advance the timeless spirit once conferred to us in a spare Philadelphia hall.”²⁹ Thus, it is unsurprising that the history-making Obama would not be aware of the long-lasting impact his presidency would have on the nation, nor that such a responsibility would be embodied in each of his proposed policies.

Regarding the economy specifically, a summation of President Obama’s long-term economic policy goals include:

- Healthcare reform (the Affordable Care Act, or ACA)
- Passage of the proposed jobs bill
- Improving the education system (American Graduation Initiative)
- Clean energy initiatives

²⁸ Peters, Gerhard and John T. Woolley. 2009. “Barack Obama, Inaugural Address Online,” The American Presidency Project. <https://www.presidency.ucsb.edu/node/217053>

²⁹ Peters, Gerhard and John T. Woolley. 2013. “Barack Obama, Inaugural Address Online,” The American Presidency Project. <https://www.presidency.ucsb.edu/node/303425>

- Increased research and development funding
- Financial reform
- Deficit reduction

As was the case with George W. Bush (tax reform), some of President Obama's policy goals mirror those of his Democratic predecessors (increased public investment), while other policies have been consistent throughout almost every administration (deficit reduction). Interestingly, there are also shared policies among different eras within this study's sample of presidents: the first three all focusing on economic issues not listed among their successors (international trade, inflation), while consistent policies amongst the Clinton, W. Bush, and Obama presidencies (healthcare and education reform) do not show up on any of the earlier lists. These patterns could indicate a number of important insights: some economic policies consistent across most presidencies, regardless of time or party. Maybe presidents are beholden to the policies of their predecessors, or rather the focus of the nation at the time of their service, and therefore have little choice in what to prioritize attempting to pursue while in office. Could every president simply struggle to resolve the consistent issues facing anyone who occupies the Oval Office, and only those policies which are successfully dealt with are the ones that fall off the lists over time? If that is indeed the case, who should get the credit for solving these issues so future presidents could concentrate on new areas of long-term economic policy? And why should it matter?

Incentives

From a cynical perspective, the issue of credit is at the heart of why these issues matter to every president, and why they are incentivized to pursue a wide variety of

economic policies, many of which have long-lasting impacts on the nation. As noted previously, researchers and experts have long argued that the condition of the economy often determines the outcome of a national election, the greatest motivator to any presidential candidate, or officeholder running for reelection. Gary Jacobson summarizes this wide-held belief, saying “Presidential candidates with economic conditions on their side (a good economy for the in-party candidate, or a bad economy for the out-party candidate) have a strong track record; according to Lynn Vavreck’s analysis, they won 11 of the 15 elections held from 1952 through 2008.”³⁰ Eric Guntermann, Gabriel S. Lenz, and Jeffrey R. Myers found that this phenomenon is not simply a modern condition, and in fact has been the case since the country was founded:

Voters, we find, appear to judge incumbent presidents on the economy all the way back to George Washington. Consistent with this pattern, we also find that the economy appears to shape presidents' decisions to run again throughout US history. These findings support recent comparative evidence that economic voting is pervasive across a variety of contexts.³¹

The infamous motto of President Clinton’s 1992 campaign team, “It’s the economy, stupid,”³² ensures that presidents, at least the modern ones in the sample, are well aware of the impact the economy has on presidential elections, and allows us to understand why they choose to tackle economic issues.

³⁰ Jacobson, Gary C. 2013. “How the Economy and Partisanship Shaped the 2012 [US] Presidential and Congressional Elections.” *Political Science Quarterly* 128 (1): 1-38.

³¹ Guntermann, E., G.S. Lenz, and J.R. Myers. 2021. “The Impact of the Economy on Presidential Elections Throughout US History.” *Political Behavior*.

³² *The War Room*, directed by Chris Hegedus and D.A. Pennebaker, (1993, October Films).

For nonincumbent candidates, claiming to have the skills necessary to remedy the economic woes of the country left unresolved by the incumbent could likely explain why certain economic priorities carry over between different administrations, particularly those that are transitioning to new parties. For presidents of the same party, economic policies likely carry over due to the fact those are seen as the practices that worked and got them elected in the first place, or as some would put it, “If it isn’t broke, don’t fix it” (just build off of what has already been begun by your predecessor). The shift in economic philosophy by experts and the nation as a whole may also explain why some economic priorities appear or drop off each list throughout time. In this case, presidents are playing a role of follower more than leader on what to prioritize while in office, courting public opinion in order to gain their favor in the hopes of being reelected or having their party hold seats in government.

Whatever the reason may be, it is clear that presidents are incentivized to pursue economic policies as a means of winning elections, for either themselves or their allies. Additional evidence can be found for the pursuit of long-term economic policies by presidents, since they wish to remain favorably remembered by the public after they have left office. For example, why else would the first accomplishment listed on the official National Archives website for the Clinton White House list “Longest economic expansion in American history” at the very top of the Clinton-Gore Administration’s “Record of Progress?”³³ Economic policies are obviously tied to voters’ evaluations of candidates, but are also important in determining the public’s view of which presidencies are seen as historically successful.

³³ “The Clinton-Gore Administration: A Record of Progress.” National Archives, accessed 2021. <https://clintonwhitehouse5.archives.gov/WH/Accomplishments/eightyears-01.html>

As Clifford F. Thies notes, “Since Arthur Schlesinger’s 1948 survey, “Historians Rate U.S. Presidents,” published in *Life*, scholars—mostly historians have been rating the presidents.”³⁴ Though Thies finds that “scholars are not impressed with presidents associated with a vibrant economy...[i]n contrast, GDP growth is positive and significant in both the popular and Electoral College vote regressions,” concluding that “the people care a lot about the economy” and are “impressed by a vibrant economy” when judging presidential greatness.³⁵ As a personal example of this view, I clearly remember receiving an assignment for elementary school that required me to interview a grandparent and learn about how life was different during an earlier time period than my own. I decided to interview my grandmother, and, strangely enough, the only question I can now remember asking her was who her favorite U.S. president was during her entire lifetime. Upon a few short moments of thought, my grandmother, in her usual no-nonsense manner, informed me “Ike, because the economy was good under him.” Presidents are aware that their steering of the economy will not only be judged by current voters, but also future generations, and is therefore all the incentive they need to pursue long-term economic change, even if such policies have been attempted by previous administrations.

Findings

This chapter sought to answer the question of whether or not presidents have the desire and incentive to influence the long-term national economy through the office’s policymaking powers, and determine what those goals were for each of the selected

³⁴ Thies, Clifford. 2014. “Ranking the Presidents: Scholars versus The People,” *Academic Questions* (Springer Nature) 27, no. 1: 79-93.

³⁵ Thies, Clifford. 2014. “Ranking the Presidents: Scholars versus The People,” *Academic Questions* (Springer Nature) 27, no. 1: 79-93.

presidents. The analysis was contained to a select group of modern presidential administrations in order to ensure political neutrality, to limit outliers and unique historical anomalies that may exist in pre-modern and even more recent administrations, and to ensure accurate data on the long-term impact of policies could be gathered and analyzed. It should be noted that while these limitations allow for a clearer focus on the questions this work seeks to answer, further research should be undertaken to go beyond these restrictions.

Original source materials in the forms of presidential addresses and interviews with top-level economic advisors indicates that every modern president has indeed sought to influence the national economy beyond their own time in office by using their presidential powers to enact policies that would have major economic consequences for the entire country. Each speech, address, and report by the selected presidents contained language (highlighted in bold above) that indicated a long-term view of their individual actions. Other important trends that were evident were the consistencies. While national addresses were often more high-level, big-picture focused, and meant to establish a comprehensive vision of the president's entire agenda, the Economic Reports of the President and interviews with various economic advisors throughout the past decades helped to identify specific economic policy goals for each administration, as well as confirmed that these policies were proposed with a long-term existence in mind. These lists of long-term economic policy goals raise various new questions, however, regarding how some goals are consistent across all administrations, while others are seemingly determined by the president's party or era. Answers to these questions come from understanding that presidents, both as candidates for the office as well as incumbents seeking to cement a positive legacy, are incentivized to create policies that the public views as having a positive economic impact on the nation. Therefore, presidents are oftentimes attempting to establish the long-term policies necessary

to address consistent economic concerns for the nation, whether or not past presidents have attempted to do the same, and will also take on new issues that arise in the public's concern.

Thus, a comprehensive list of these goals and proposals, as summarized in Table 1 (below), serves as the basis for continued analysis. In the following chapters, this thesis details how each president used the powers of their office to seek policy changes, whether each president achieved their goals, and what the eventual economic impact of their successes truly was beyond their own time in the Oval Office. It is this structure that makes up the Framework for Long-term Economic Examination (FLEX), which can be used to broaden these inquiries even further.

Table 1: Proposed Policies by U.S. Presidents with Long-term Economic Implications

| <i>President</i> | Proposed Policies |
|-------------------------|---|
| <i>Jimmy Carter</i> | <ul style="list-style-type: none"> ▪ Passage of his energy plan ▪ Management of federal budget expenditures, reducing the federal deficit, and balancing the budget ▪ Using tax reductions to promote steady economic expansion ▪ Attacking structural unemployment ▪ Promoting business capital formation ▪ Reducing inflation ▪ Policies that promote economic recovery throughout the world |
| <i>Ronald Reagan</i> | <ul style="list-style-type: none"> ▪ Slow the growth of government spending ▪ Reduce tax burdens ▪ Regulatory reform ▪ Controlling money growth ▪ Expanding international trade |
| <i>George Bush</i> | <ul style="list-style-type: none"> ▪ Reduce government borrowing ▪ Monetary policy focused on growth as well as reducing inflation ▪ Removing barriers to innovation, investment, work and saving in the tax, legal, and regulatory systems ▪ Avoiding unnecessary regulation and redesigning regulatory programs ▪ Increasing free trade and open markets |
| <i>William Clinton</i> | <ul style="list-style-type: none"> ▪ Deficit reduction ▪ Increasing public investment in technology, infrastructure, the environment, and education ▪ Reforming the healthcare system ▪ Opening foreign markets ▪ Improving the efficiency of government |
| <i>George W. Bush</i> | <ul style="list-style-type: none"> ▪ Restraining spending by eliminating government programs ▪ Reforming Social Security ▪ Tax reform ▪ Healthcare reform, specifically Medicare reform ▪ Litigation reform ▪ Securing the nation's energy supply ▪ Reforming education and workforce training programs |
| <i>Barack Obama</i> | <ul style="list-style-type: none"> ▪ Healthcare reform (the ACA) ▪ Jobs bill ▪ Improving the education system (American Graduation Initiative) ▪ Clean energy ▪ Increased research and development funding ▪ Financial reform ▪ Deficit reduction |

Chapter II

Limited Power

**Analyzing the Success Rate of Presidential Powers and Policies
in the Long-Term**

“Leave nothing for tomorrow which can be done today.”
– Abraham Lincoln, Sixteenth President of the United States of America

By the Power Invested in Me

Having shown in Chapter 1 that presidents do indeed seek to impact the long-term trajectory of the national economy, the next task is to examine the tools presidents have used to do so. As Mark Zachary Taylor states, “At first glance, it might seem that Presidents have only a minor role in determining the country’s economic prosperity.”³⁶ Indeed, though presidents bear the responsibility of the state of the economy with the public during elections and when evaluating historical legacies, the president is only one actor in a large and multifaceted national government, one that itself is limited in how it can influence the free-market based economy of the United States. However, Taylor notes that:

The Federal government as a whole has a variety of levers by which policymakers can affect the economy. Over time, these policy levers have included taxes, trade policy, land grants and sales, service contracts, procurement programs, regulations, loans, subsidies, anti-trust regimes, intellectual property, and even military action. The President has direct control over a subset of these policies.³⁷

In addition to formal levers of governmental control, the president’s position as the lone individual elected to national office allows the officeholder a great deal of indirect power to influence the economy. Dan B. Wood performed a “study [that] demonstrates that presidential rhetoric affects the risks that economic actors are willing to take,” finding evidence “that increased presidential saber-rattling produces increased perceptions of negative economic news, declining consumer confidence, lower personal consumption

³⁶ Taylor, Mark Zachary. 2012. “An Economic Ranking of the US Presidents, 1789-2009: A Data-Based Approach.” PS 45 (4) 596-604.

³⁷ Taylor, Mark Zachary. 2012. “An Economic Ranking of the US Presidents, 1789-2009: A Data-Based Approach.” PS 45 (4) 596-604.

expenditures, less demand for money, and slower economic growth.”³⁸ Thus, it is important to remember that the Office of the President has a wide variety of powers at its disposal, unique to it alone, and neither the position itself, nor its many powers, should be ignored when considering whether or not they are useful in creating long-lasting economic change.

The speeches and interviews examined in the first chapter not only provide a wide variety of evidence that presidents seek to enact long-lasting policies, but also indicate the types of long-term economic policies that the presidents wished to enact. In addition to the specific legislation the presidents proposed, the speeches illustrate the general ideologies each president possessed and the visions they wished to create through their powers to influence the national economy in the long run. This information allows us to measure their attempts to complete these goals, not only through the passage or failure of legislative proposals, but also on how their overall actions may have promoted these types of policies as well.

This chapter analyzes the longevity of policies put in place by each modern president, isolating which powers are most effective in creating policies that are not easily overturned. The presidents are ranked by success rates in creating such policies, determining not only which powers are most effective in creating long-lasting change, but also which presidents were able to establish the most of such policies, collectively. This chapter concludes by using these insights to test if traditional theories of presidential power, including Arthur Schlesinger’s “imperial presidency,” Richard Neustadt’s “persuasive president,” and Stephen Skowronek’s “presidents in political time,” that have long been used

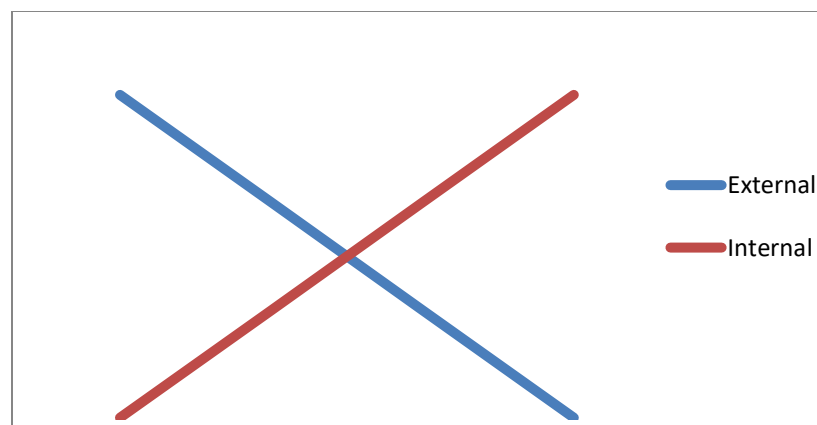
³⁸ Wood, B. Dan. 2012. *Presidential Saber Rattling: Causes and Consequences*. New York: Cambridge University Press.

to develop the short-term models of presidential economic influence, can be used to develop a comprehensive analysis of presidential power to influence long-term economic policy.

Policy Making Process

In *The President's Agenda*, Paul Light quotes a OMB assistant who said, “[e]very President has a certain amount of capital—you know, power, push, ‘juice.’”³⁹ According to Light’s analysis, this power comes from both “internal” resources such as the President and his staff’s time information, expertise, and energy, and “external” resources, such as party support in Congress, public approval, electoral victory margin, and patronage. The paradox, is that while internal resources increase a president’s power and productivity over time, especially as he and his staff gain more experience and internal knowledge of governing, the external resources steadily decline over the same period of time, as political capital is used up and the public and political opponents begin scrutinize the president’s action or inaction. Light’s Paradox in internal and external resources is shown in Figure 1 below:

Figure 1: Light’s Paradox



³⁹ Light, Paul. *The President's Agenda*. Johns Hopkins University Press (1999) 70.

Thus, while internal resources increase, external resources decrease; leaving only a small point of equilibrium that is the prime moment to enact presidential policies. Because this small window is hard to pinpoint, as well as fleeting, most presidential administrations resort to trying to enact as many policies as possible while they have the political capital to do, even if that means not having the internal resources necessary to do so most effectively. This will usually result in an expediting of the process of external decline because they are attempting to enact policies with little internal resources upon which to draw, thus requiring more political capital for each policy attempt that fails and must be tried again. More often than not, the belief that “the first 100 days” are the most productive of any presidential term encourages presidents to enact key policies as quickly as possible, whether they are actually most efficient in succeeding or not.

Scholar James Stimson adds to this political reality with his analysis of broader public support for the president. According to Stimson’s analysis, “[t]he approval accorded to Presidents by the American public is found to follow a cyclical pattern over time. All presidents begin their terms with great popularity, experience parabolic declines, steadily lose popular support for about three years, and then recover some at the end of their terms.”⁴⁰ Stimson’s cycle further supports the flurry of action in the first quarters of a president’s term, as administrations ignore their own abilities in favor of both political “juice” and high levels of public opinion that suggest they have a mandate, and sometimes an obligation, to pass certain policies as quickly as possible. Interestingly, Stimson’s cycle of approval ratings

⁴⁰ Stimson, James A. 1976. “Public Support for American Presidents: A Cyclical Model.” *Public Opinion Quarterly* 40 (1): 1-21.

did not differ for individual presidents, despite party and personal differences, suggesting the role of public support is constant for each administration.

In his book, *The Mild Voice of Reason*, Joseph Bessette argues that the original intent of the framers was to create a Congress that would “blunt” politics and raise “deliberation” over issues instead.⁴¹ According to Bessette, this means that Congress is designed and most effective if it slows the policymaking process down and allows for thorough and open deliberation on the issues. Otherwise, politics will take over in the form of special interests, campaigning for re-election, and partisanship, which will dominate the debate while real, effective policies will fail to be deliberated, compromised over, and enacted by the legislature.

Of course, the slowing down of politics by Congress is in direct conflict with the president’s urge and need to enact policies quickly, as described by Light’s Paradox. As Allan Hubbard, Director of the National Economic Council to George Bush, says, “[l]egislation is always a lot of back and forth.”⁴² In short, this contradiction is at the heart of whether a president is successful or not in achieving his policy goals, including those of long-term economic issues. How then can presidents successfully enact these policies if they have to work against the checks and balances of the other branches of government, as well as their own constantly-dwindling support from the public and other political actors?

Light provides a glimpse into how a president’s goals are achieved despite these forces. In describing his theory of Legislative Expense, Light claims “In choosing among domestic alternatives, Presidents must evaluate potential costs – whether political, economic, or technical—against available political capital.”⁴³ In other words, presidents decide to act or

⁴¹ Bessette, Joseph. 1997. *The Mild Voice of Reason*. University of Chicago Press.

⁴² Hubbard, Allan. Interview #3, Appendix, 2013.

⁴³ Light, Paul. 1999. *The President’s Agenda*. Johns Hopkins University Press, 110

not depending on each's potential costs, or the amount of external resources one would lose in acting, a conscious cost-benefit analysis of opportunities. Thus, Light describes the use of different executive powers and actions as a product of these choices and the circumstances surrounding them: a weak president with seemingly little political capital with Congress or the public will be forced to either choose not to act, act only symbolically through verbal affirmations, or act negatively, such as using powers like the veto. Each use of power afterwards requires more and more political capital, and pushing legislation through Congress becomes less and less likely as time passes for a president in office.

That does not mean the president cannot accomplish anything at all. Indeed, William G. Howell and Kenneth R. Mayer investigated how presidential actions changed from the beginning of a president's term to the end, specifically the last one hundred days of a sitting duck president. The conventional wisdom had been that "an outgoing president has little ground upon which to advocate for their policy agenda. During his final months in office, his public prestige and professional reputation—the ingredients of persuasion, and the purported foundations of presidential power—run empty."⁴⁴ Howell and Mayer argue, though, that a president's power is not so limited:

By ignoring important policy options outside of the legislative process, scholars have exaggerated the frailty of outgoing presidents and underestimated the influence they continue to wield. Presidential power does not reduce to bargaining, negotiating, and convincing members of Congress to do things that the president cannot accomplish on his own. Presidents can (and regularly do) act alone, setting public policy without having to rally Congress's attention, nor even its support (Cooper 2002; Howell 2003; Mayer 2001). With executive orders, proclamations, executive agreements, national security directives, and memoranda, presidents have ample resources to effectuate policy changes that stand little chance of overcoming the collective action problems and multiple veto points that plague the legislative process. And having "lost the attention of the permanent government,"

⁴⁴ Howell, William G., Kenneth R. Mayer. 2005. "The Last One Hundred Days." *Presidential Studies Quarterly*. Vol. 35 Issue 3, p533-553.

outgoing presidents have every reason to strike out on their own, set new policy, and leave it to the incoming administration to try and steer an alternative course.⁴⁵

Thus, as the research shows, this study cannot narrow the investigation into long-term presidential influence to one single set of powers, but must recognize that the timing and conditions under which presidents operate often influence how they will act and which powers they will leverage to achieve their ends.

It is within this framework that this chapter distinguishes why each president acted in the manner they did regarding long-term economic policies, and why they were effective or not in enacting these goals.

Presidential Powers

In order to fully understand whether a president is capable or not of influencing the long-term economy, an in-depth analysis of the effectiveness of every power available to the office must be conducted. This chapter does so by not only analyzing the **hard powers (HP)** given to the president through the U.S. Constitution and other legal statutes, but also the **soft powers (SP)** associated with being the only nationally elected official in the country. When possible, this chapter seeks to categorize the president's powers as hard or soft in nature, and in doing so will not only determine which specific powers are most effective in creating long-term economic policy, but which of these two types of powers are indeed most useful to a president seeking such policy goals.

Additionally, this chapter distinguishes between **positive powers (PP)**, or those that

⁴⁵ Howell, William G., Kenneth R. Mayer. 2005. "The Last One Hundred Days." *Presidential Studies Quarterly*. Vol. 35 Issue 3, p533-553.

promote a certain long-term economic policy, and **negative powers (NP)**, or those that prevent long-term economic policies that are counter to a president's economic agenda. Because this paper is determining which presidents have been most successful at achieving long-term economic legacies, it is important to consider how each administration used the wide variety of powers at their disposal to achieve these goals. Not all powers of the presidency can have a noticeable or substantial impact on national economic conditions (pardons and executive privilege), but those that are capable of being used to influence the national economy include:

- **Executive Orders (HP/PP)** – The president's ability to issue a wide variety of rules, regulations, and instructions with the binding force of law for federal agencies and the services they perform is a strong form of unilateral power exercised by the Office of the President, as these directives do not need formal legislation or Congressional approval to be administered, though legislation by Congress or rulings by the judiciary can make the EOs invalid or irrelevant.
- **Veto (HP/NP)** – The president's ability to not sign into law legislation passed by Congress, in the form of a formal or pocket veto, demonstrates a president's power to influence legislation directly. However, the attempt to allow president's the power of the line-item veto to only sign into law pieces of legislation that they approved failed in the early 1990's, which would have greatly expanded this power of the office. Furthermore, vetoes can be overridden by a two-thirds majority vote of both chambers of Congress, thus providing an additional check on presidential power. Finally, the veto is a reactionary power, only able to negatively impact legislation by preventing it to become law, rather than positively enacting policies supported by the president.

- **Appointments (Hybrid/PP)** – The president has the Constitutional authority to appoint both U.S. government officials and justices to the federal bench, including the U.S. Supreme Court. Because many of these appointments require Senate confirmation, this power is a hybrid between a president’s unilateral, nomination authority (hard power) and the necessity of partnering with the Senate for confirmation (soft power). The longevity of the terms of many of these positions, particularly those of the judicial branch, allow the president a broad range of power to establish ideologies impacting the long-term conditions of the nation. The focus on this power within this essay will primarily consider the ability of presidents to appoint members to key economic positions, particularly the Fed Chairmanship, as well as the performances of presidentially appointed justices have had regarding rulings on federal cases that had national economic consequences.
- **Negotiate Treaties (Hybrid/PP)** – The Constitution establishes the president as the chief official in conducting foreign affairs, having the powers to appoint foreign diplomats, receive foreign leaders and ambassadors, and to negotiate treaties.⁴⁶ Thus, because many of the most impactful treaties, particularly in the economic sphere, require Senate ratification to become law, this power, like appointments, could also be considered a hybrid, combining both the hard and soft powers at the president’s disposal. This study focuses on the president’s leadership in developing international trade agreements through bi-lateral, multi-lateral, and international organization agreements or commitments, such as those

⁴⁶ U.S. Const. art. II, § 2.

through NAFTA, the WTO, and the World Bank, which have a significant impact on the national economy through the import and export trade deficit levels.

- **Persuasion and Rhetoric (SP/PP)** – A large source of presidential power comes from utilizing the “bully pulpit,” as President Theodore Roosevelt called the president’s unique platform to the nation’s news and interest. Especially in the modern era of social media, 24-hour news cycles, and the Internet, the president has a wide variety of channels in which to broadcast his policy message. Because of the Office’s central role in current governmental events and its single, unilateral actor, the president has a greater ability to get his message out to the American people than any other political official or group within the nation. The president’s ability to utilize this soft power to its greatest potential can provide him with the strong force of large public opinion unto the policy process, which could heavily influence lawmakers’ willingness to support the president’s proposals or not due to their dependence on the opinions of their voters. To analyze the success of president’s effectively using this power, this chapter will look at how often a president has attempted to persuade the general public through interviews, press briefings, and national tours, of a certain long-term economic issue, and how popular each president is in public opinion polls during their attempts to enact such legislation.
- **Coalition Building & Party Leader (SP/PP)** – As the only nationally elected political figure in the federal government, the President of the United States has the unique ability to serve as a focal point for a large portion of the American population’s policy goals. Utilizing the support for the ideas and policies

described during the successful campaign, presidents can organize a strong political following heading into office. This coalition can provide a large amount of outside resources, knowledge, and expertise to influence the policymaking process in order to reach a common end. With the added benefit of being the formal leader of his political party, the president has the ability to draw on these non-statutory powers to influence public opinion, pressure lawmakers, and pass legislation that benefits both his and his supporters' long-term economic policy goals. This differs slightly from relying purely on rhetoric or direct appeals to the public, as the president's ability to develop and hold together a coalition of political actors oftentimes involves many backdoor dealings and channels. This study will look at the ability of presidents to gain votes from different members of Congress for proposed policies to determine his level of support from both parties, as well as the number of outside groups that were either fighting for or against the presidents proposals, and determine if these coalitions were enduring enough to create long-term economic policies reaching beyond the president's term in office.

Use and Longevity of Presidential Powers

The deployment of each of these powers depends on a wide variety of circumstances facing a sitting president. According to Arthur Schlesinger's imperial presidency theory, presidents, over time, would act in more and more unilateral manners, deploying hard powers, such as executive actions, on a more consistent basis as they consolidate power in

the Executive Office of the President.⁴⁷ Richard Neustadt's persuasive president theory would have us believe that the president primarily relies on their soft skills of rhetoric and personality, directly appealing to the public and using their bully pulpit to drive public opinion towards the policy goals they wish to achieve.⁴⁸ High approval ratings combined with numerous policy successes would signal that this theory was most prevalent in presidential action. Finally, Stephen Skowronek's presidents in political time theory would lead us to expect that most presidential policies that are successfully passed come from the president's ability to bring together the necessary coalitions and forces at the most opportune political moment to make policy changes.⁴⁹ Legislative successes with Congress would serve as the greatest indicator of this theory being true.

However, the point of this particular analysis is not simply to determine which policy proposals presidents were successfully able to enact, but rather the long-term impact of these policies. Before examining the economic impact of each of these policies, this chapter identifies which actions by presidents lasted beyond their own terms, and thus how successful each president was at ensuring their hard work was not immediately overturned by the courts, Congress, or their successor. Therefore, in addition to seeing what types of powers were deployed and able to create a particular policy for the president, this chapter will also need to determine whether or not these policies lasted beyond their own term in office.

⁴⁷ Schlesinger Jr., Arthur M. 1973. *The Imperial Presidency*. New York: Houghton Mifflin.

⁴⁸ Neustadt, Richard. 1990. *Presidential Power and the Modern Presidents: The Politics of Leadership from Roosevelt to Reagan*, revised ed., New York, NY: Free Press

⁴⁹ Skowronek, Stephen. 1997. *The Politics Presidents Make: Leadership from John Adams to Bill Clinton, Revised Edition*. New York: Belknap Press.

Executive Orders

Interestingly, when one looks at the trends of issuing Executive Orders (EOs), the common belief, especially amongst imperial presidency theorists, is turned upon its head. Table 2 breaks down the number of EOs per president, the average per year, and the number and percentage that were remanded by future presidents (ranks amongst the sample for highest to lowest president for each of these categories are in parentheses). As shown in Table 2, the highest average of EOs occurred in the Carter Administration. President Carter averaged more than double the number of EOs compared to the President George W. Bush and President Obama.

Table 2: Number of Executive Orders Per President⁵⁰

| <i>President</i> | <i>Term</i> | <i>Total Orders</i> | <i>Avg. Year</i> | <i>Orders Revoked or Amended by Future Presidents</i> | <i>% of Orders Revoked or Amended by Future Presidents</i> |
|------------------------|--------------|---------------------|------------------|---|--|
| <i>Jimmy Carter</i> | Total | 320 (3) | 80 (1) | 179 (6) | 56% (6) |
| | | | | | |
| <i>Ronald Reagan</i> | Total | 381 (1) | 48 (2) | 110 (4) | 29% (3) |
| | I | 213 | 53 | | |
| | II | 168 | 42 | | |
| <i>George Bush</i> | Total | 166 (6) | 42 (4) | 58 (2) | 35% (4) |
| <i>William Clinton</i> | Total | 364 (2) | 46 (3) | 127 (5) | 35% (4) |
| | I | 200 | 50 | | |
| | II | 164 | 41 | | |
| <i>George W. Bush</i> | Total | 291 (4) | 36 (5) | 62 (3) | 21% (2) |
| | I | 173 | 43 | | |
| | II | 118 | 30 | | |
| <i>Barack Obama</i> | Total | 276 (5) | 35 (6) | 32 (1) | 12% (1) |
| | I | 147 | 37 | | |
| | II | 129 | 32 | | |

Why might this be the case? As will be seen later, President Carter had one of the lowest average approval rating among the public during his time in office. This small amount of public support was also combined with weak internal resources amongst the administration, as the President had famously filled the West Wing with an outsider staff he

⁵⁰ Peters, Gerhard, and John T. Woolley, "Executive Orders." *The American Presidency Project*. Ed. John T. Woolley and Gerhard Peters. Santa Barbara, CA. 1999-2021. <https://www.presidency.ucsb.edu/node/323876>

mostly brought with him from his days in Georgia. Though doing so helped insulate the new president from accusations of corruption and scandal that had plagued Washington since the Watergate scandal, it left Carter with one of the weakest starting points for pursuing his agenda, given the lack of experience he and his staff had in forging policy at the national level. Additionally, Congress, despite being mostly made up of Democrats, was looking to reinforce its place in the federal system of government that had seen a president abuse his executive powers, and thus the legislature provided additional roadblocks to Carter's proposed policies they deemed too expansive. This led to much of Carter's proposed legislation, such as his consumer protection, labor relations, and second energy plan, to not make it through either chamber and become law. These factors combined to reduce Carter's effectiveness considerably in passing legislation to promote his long-term economic agenda.

Thus, it is not hard to see why a president in Carter's position might rely more heavily on unilateral actions that did not require Congressional approval before being implemented. The fact that President Clinton also brought in a mostly young, outsider staff, might explain why he had the second highest overall number of Executive Orders, especially as tensions with Congress only grew over his two terms following the rise of Speaker of the House Newt Gingrich and the eventual impeachment of the president during his second term. Being a former governor with less ties to Washington may also explain why Reagan had the highest number of EOs overall.

More importantly, it is important to highlight the high levels at which EOs are overturned by future presidents. President Carter may have had the highest average of EOs established each year, but he unfortunately also had the highest rate and overall volume of them revoked, remanded, or amended by his successors, reducing their long-term

effectiveness. Indeed, presidential EOs have a relatively high rate of being overturned. Future presidents have just as much power as current officeholders when revoking prior EOs, allowing for changes to easily be made by new administrations, particularly ones of an opposing party. President Reagan revoked 385 prior EOs with a single EO of his own, some of them going all of the way back to the beginning of the 20th century.⁵¹ Therefore, EOs may be an effective tool for creating policy when no other options are available. However, relying on such a method, as Carter did, could result in a majority of them being remanded by your successors anyways, and the long-term effectiveness of your policies put into jeopardy, along with your overall legacy.

Veto

The second hard power a president can use unilaterally without approval beforehand is the veto. While vetoes can still be overridden by Congress, the supermajority required to do so gives the president leverage when both considering and utilizing this unique tool.

⁵¹ “Ronald Reagan Executive Orders – 1986.” 2021. National Archives. <https://www.archives.gov/federal-register/executive-orders/1986.html>

Table 3: Number of Vetoes Per President⁵²

| <i>President</i> | <i>Congress</i> | President's Party Seat Shares | | Vetoes | | | | Success Rate |
|------------------------|-------------------|----------------------------------|--------|---------------|-----------|-----------|-----------|------------------|
| | | House | Senate | Total | Regular | Pocket | Overrides | |
| <i>Jimmy Carter</i> | Totals | | | 31 (4) | 13 | 18 | 2 | 84.6% (4) |
| | 95 th | 67.1% | 61% | 19 | 6 | 13 | 0 | 100% |
| | 96 th | 63.7% | 58% | 12 | 7 | 5 | 2 | 71.4% |
| <i>Ronald Reagan</i> | Totals | | | 78 (1) | 39 | 39 | 9 | 76.9% (5) |
| | 97 th | 44.1% | 53% | 15 | 9 | 6 | 2 | 77.8% |
| | 98 th | 38.2% | 54% | 24 | 9 | 15 | 2 | 77.8% |
| | 99 th | 41.8% | 53% | 20 | 13 | 7 | 2 | 84.6% |
| | 100 th | 40.7% | 45% | 19 | 8 | 11 | 3 | 62.5% |
| <i>George Bush</i> | Totals | | | 44 (2) | 29 | 15 | 1 | 96.6% (1) |
| | 101 st | 40.2% | 45% | 20 | 15 | 4 | 0 | 100% |
| | 102 nd | 38.4% | 44% | 24 | 14 | 11 | 1 | 92.9% |
| <i>William Clinton</i> | Totals | | | 37 (3) | 36 | 1 | 2 | 94.4% (2) |
| | 103 rd | 59.3% | 57% | 0 | 0 | 0 | 0 | n/a |
| | 104 th | 46.9% | 48% | 17 | 17 | 0 | 1 | 94.1% |
| | 105 th | 47.4% | 45% | 8 | 8 | 0 | 1 | 87.5% |
| | 106 th | 48.5% | 45% | 12 | 11 | 1 | 0 | 100% |
| <i>George W. Bush</i> | Totals | | | 12 (5) | 11 | 1 | 4 | 63.6% (6) |
| | 107 th | 50.8% | 50% | 0 | 0 | 0 | 0 | n/a |
| | 108 th | 52.6% | 51% | 0 | 0 | 0 | 0 | n/a |
| | 109 th | 53.3% | 55% | 1 | 1 | 0 | 0 | 100% |
| | 110 th | 46.4% | 49% | 11 | 10 | 1 | 4 | 60% |
| <i>Barack Obama</i> | Totals | | | 12 (5) | 12 | 0 | 1 | 91.7% (3) |
| | 111 th | 58.9% | 60% | 2 | 2 | 0 | 0 | 100% |
| | 112 th | 44.4% | 53% | 0 | 0 | 0 | 0 | n/a |
| | 113 th | 46.2% | 55% | 0 | 0 | 0 | 0 | n/a |
| | 114 th | 43.2% | 46% | 10 | 10 | 0 | 1 | 90% |

⁵² Peters, Gerhard, and John T. Woolley. "Presidential Vetoes." *The American Presidency Project*. Ed. John T. Woolley and Gerhard Peters. Santa Barbara, CA: University of California. 1999-2021. <https://www.presidency.ucsb.edu/node/323889>

However, as can be seen in Table 3, following a large spike during President Reagan's term, the total number of vetoes per presidency has drastically decreased over time. However, their success rate in not being overturned is remarkably high, even when considering President George W. Bush's lowest success rate, which is still at almost 64%.

It may seem the veto is one of the most useful powers a president can deploy, considering it is almost an assured victory for the sitting president, both in the short- and long-term. However, some context must be provided when considering this presidential power. As noted above, the veto is a negative power; it does not create policy, but prevents policy from being created. Thus, a president cannot use it to establish new policy, but rather prevent policies that are counter to his end goals, maintaining the status quo. This was President George H.W. Bush's intention when he used the veto to move forward his goal of saving in the tax, legal, and regulatory systems put in place by his and his predecessor's administrations. Thus, H.W. Bush vetoed several bills related to governmental appropriations he disagreed with, thus creating desired change through a negative power.

On the other hand, while overrides are rare, they can jeopardize not only a president's particular policy, but also his entire agenda. *The Washington Post* described the override of President Carter's veto of a bill repealing his crude oil fee as "his most humiliating defeat so far on Capitol Hill."⁵³ That override was all the more powerful because the president's own party controlled both the House and Senate. Additionally, as noted previously, energy reform was a major policy focus of the president. Carter's lack of good relations with Congress again dealt a blow to his presidential goals, even when he attempted to act unilaterally. As this example shows, while the risk of being overridden is numerically

⁵³ Dewar, Helen. "Senate Joins House in Overriding Veto, Kills Oil Import Fee." *The Washington Post*, June 7, 1980. <https://www.washingtonpost.com/archive/politics/1980/06/07/senate-joins-house-in-overriding-veto-kills-oil-import-fee/7f6d9ca5-bf93-43f6-a27a-8bd8dbe97f51/>

small, the political risk can be much greater to a president if they cannot ensure that an override will be reached.

Similar to the EOs, vetoes appear limited in their ability to enact lasting policy. While EOs can be revoked by a future president, altered by legislation, or declared unconstitutional by the courts, vetoes are more susceptible to limitations on what they can be used to achieve; they are reactionary, not proactive. They are useful in curbing unwanted policies, but future presidents and Congresses would have no limitations in passing and signing similar laws during future sessions. Additionally, a veto override, while rare, has demonstrated that it can undermine a president's broader long-term policy goals, as it wastes further political capital and results in a failure to achieve one's goals despite the effort. Thus, the unilateral actions that have been identified, while easy for a president to implement, are seemingly just as easy to undo or backfire, and thus not as effective as those who believe a president wields large amounts of unchecked power might think.

Appointments

Presidential appointments are best understood as a hybrid-type of power shared with Congress. The nomination of candidates for thousands of posts within the federal government lies solely with the Chief Executive. However, the power is not completely unilateral, as roughly 4,000 of the appointments require Senate confirmation.⁵⁴ Therefore,

⁵⁴ "United States Government Policy and Supporting Positions (Plum Book). 2021. U.S. Government Publishing Office. https://www.govinfo.gov/collection/plum-book?path=/gpo/United%20States%20Government%20Policy%20and%20Supporting%20Positions%20%28Plum%20Book%29/2020/GPO-PLUMBOOK-2020&utm_source=Partnership+for+Public+Service+emails&utm_campaign=41d0f8ac1d-EMAIL_CAMPAIGN_2018_6_08_COPY_02&utm_medium=email&utm_term=0_3aed0f55fc-41d0f8ac1d-213427893

presidents must combine both hard and soft powers when attempting to place certain individuals into key roles.

Table 4: Judicial Appointments Per President⁵⁵

| <i>President</i> | Supreme Court | Regional Court of Appeals | USCAFC | USCFC | District Courts | Territorial Courts | Court of International Trade | Total |
|------------------------|---------------|---------------------------|--------|-------|-----------------|--------------------|------------------------------|---------|
| <i>Jimmy Carter</i> | 0 | 56 | - | - | 203 | 3 | 0 | 262 (5) |
| <i>Ronald Reagan</i> | 3 | 78 | 5 | 18 | 290 | 2 | 6 | 402 (1) |
| <i>George Bush</i> | 2 | 37 | 5 | 2 | 148 | 2 | 1 | 197 (6) |
| <i>William Clinton</i> | 2 | 62 | 4 | 7 | 305 | 2 | 5 | 387 (2) |
| <i>George W. Bush</i> | 2 | 61 | 2 | 9 | 261 | 3 | 2 | 340 (3) |
| <i>Barack Obama</i> | 2 | 49 | 6 | 3 | 268 | 2 | 4 | 334 (4) |

The analysis of the long-lasting impact of presidential appointments will focus on those posts that have tenures longer than the president's own time in office, allowing these individuals to continue creating economic policy long after the president has left the White House. No better example of these type of long-serving, as well as heavily influential, appointments can be found than within the federal judiciary, where appointees serve life sentences in roles that allow them to be a check and balance on both of the other branches of government.

As Table 4 illustrates, each president has had an opportunity, save for the two one-term presidents, to appoint a large number of justices to the federal bench. Interestingly, the numbers for both the Supreme Court nominees and the overall total are somewhat consistent across all presidents, regardless of political party or time. This suggests that even

⁵⁵ "Judgeship Appointments by President." 2021. United States Courts. <https://www.uscourts.gov/sites/default/files/apptsbypres.pdf>

if the power is useful in creating long-lasting policy, it is also one that can possibly be counterbalanced by those who follow.

Table 5: Supreme Court Nominees and Impact⁵⁶

| <i>President</i> | Number of Justices Appointed to the Supreme Court | Laws Overturned by Supreme Court During Term | Average Number of Laws Overturned by Supreme Court Per Year |
|------------------------|---|--|---|
| <i>Jimmy Carter</i> | 0 | 2 | 0.5 |
| <i>Ronald Reagan</i> | 3 | 9 | 1.1 |
| <i>George Bush</i> | 2 | 3 | 0.75 |
| <i>William Clinton</i> | 2 | 21 | 2.6 |
| <i>George W. Bush</i> | 2 | 6 | 0.75 |
| <i>Barack Obama</i> | 2 | 16 | 2 |

A closer look at the impact these nominees have on the longevity of presidential policies can be gained by looking at Table 5. Just as the number of Supreme Court nominees appears to be consistent across presidential administrations, the average number of laws overturned by the Highest Court in the Land remains steady across the decades, with the only outliers being the number of laws overturned under the Clinton and Obama administrations. However, even the high number of appeals under these two administrations are statistically small compared to the total number of laws enacted under each president.

⁵⁶ “Table of Laws Held Unconstitutional in Whole or in Part by the Supreme Court.” 2021. Congress.gov. <https://constitution.congress.gov/resources/unconstitutional-laws/>

Thus, the appointment of justices may seem less consequential to implementing long-term economic policy, as there is little variance between presidents succeeding in both appointing the justices and having their laws upheld by the courts.

However, the impact of these overturned cases, like the veto overrides before them, can far outweigh their relatively low frequency. Take, for example, President Obama's signature legislative achievement, the Affordable Care Act (ACA). The ACA has been challenged in court almost 2,000 times, with a collective total of seven U.S. Supreme Court cases in the past decade alone.⁵⁷ Key components of the law have both been upheld (the law's individual mandate), as well as struck down (the federal government's ability to penalize states for not expanding Medicaid eligibility). Thus, the appointment of justices to the Supreme Court and federal bench may not seem to have a statistical impact on which presidents are more successful or not in creating long-lasting policies, but the impact of even one case can have an outsized effect on the president's long-term policy goals.

A similar pattern emerges when looking at the other long-term positions a president is able to appoint. A look at Table 6 shows that, like the judicial system, presidents have had a consistent number of opportunities to appoint chairpersons to several positions that serve longer than the four-year term of the president himself. Save for President Obama, the two-term presidents have held a pretty steady rate of appointments, and the one-term presidents have comparable figures to one another as well. However, the appointments listed here are also an example of quality over quantity. The appointment of Paul Volcker as the Federal Reserve (Fed) Chairman by President Carter serves as a good example of this important facet. The Fed's large impact on both the short-term and long-term economic conditions of

⁵⁷ Gluck, Abbe R., Mark Regan, and Erica Turret. 2020. "The Affordable Care Act's Litigation Decade." *Georgetown Law Journal* 108 (6): 1471-1534. https://www.law.georgetown.edu/georgetown-law-journal/wp-content/uploads/sites/26/2020/06/Gluck-Regan-Turret_The-Affordable-Care-Act's-Litigation-Decade.pdf

the nation is well-documented, with various researchers finding evidence that its monetary and fiscal policy “powerfully influences real growth in the short run and inflation in the long run.”⁵⁸ Bob Dombrowski even argues that Chairman Alan Greenspan’s actions, including his “pressure on banks to bailout the Long-Term Hedge Fund and its effect on the stock market,” helped President Clinton win reelection in 1996.⁵⁹

Table 6: Number of Long-Term Chairmanship Appointments Per President

| <i>President</i> | Number Long-Term (Greater than 4 years) Chairmanship Appointments | Average Per Year |
|------------------------|---|------------------|
| <i>Jimmy Carter</i> | 30 (5) | 7.5 (2) |
| <i>Ronald Reagan</i> | 51 (3) | 6.4 (4) |
| <i>George Bush</i> | 21 (6) | 5.25 (5) |
| <i>William Clinton</i> | 56 (2) | 7 (3) |
| <i>George W. Bush</i> | 62 (1) | 7.75 (1) |
| <i>Barack Obama</i> | 36 (4) | 4.5 (6) |

Thus, it is well accepted that nominating the Federal Reserve is a significant way that presidents can have an outsized impact on the long-term economic trajectory of the nation,

⁵⁸ “The Impact of the Federal Reserve System’s Monetary Policies on the Nation’s Economy.” 1976. FRASER, Federal Reserve Bank of St. Louis. https://fraser.stlouisfed.org/files/docs/historical/federal%20reserve%20history/impact/HR_94_2_121976.pdf

⁵⁹ Dombrowski, Bob. 1998. “Clinton Can Thank His Lucky Stars and Alan Greenspan for Election Results.” New Hampshire Business Review 20 (26): 7.

particularly because the Fed operates as an independent agency and cannot be directly influenced by future presidential administrations. Volcker's appointment in particular is credited as to leading to the stabilization of the inflation crisis present in the 1970s.

Ironically, his efforts did not bear fruit, will be seen, until the 1980's, occurring after Carter left office. President Reagan reappointed Volker as Fed Chairman, thus keeping inflation in check throughout his presidency, and nominated Greenspan as his successor, who would go on to serve in the role for almost 20 years, influencing the economy for decades after Reagan had left office.

Therefore, it is clear that appointments are unique in their blending of both unilateral and cooperative power. Similarly, though they appear to be consistent in their quantitative opportunities across presidential administrations, the qualitative impact of these appointees can have long-lasting impacts on both the longevity of policies passed by presidents, as well as the trajectory of the national economy as a whole. Appointments are therefore a crucial part of how presidents can wield their power to impact the long-term economy, even if some of the results of these appointments are out of their control.

Treaty Negotiations

Similar to presidential appointments, the president's power to negotiate international treaties is unique in its combination of both unilateral powers (as the sole representative of negotiations with foreign entities), as well as collaborative soft powers (treaty ratification must come from the Senate). Some international agreements are formed through direct executive action, and can therefore be removed by future executives (similar to EOs), as was the case when President Trump exited the Paris Climate Accords that President Obama had

entered into during his term.⁶⁰ Senate ratified treaties, however, are much harder to reverse by future administrations, and therefore provide a chance for presidents to enact long-lasting economic policy that will not only have an impact on the national economy, but also the international community, for years to come. Yet, by not requiring a vote by the entire House of Representatives, treaties, like appointments, are further removed from the political back-and-forth that can often stall normal legislation. In other words, attempting to get a treaty agreed upon by one hundred individuals, only a third of whom are up for reelection every cycle is much easier than getting an additional 435 elected officials, running for office every two years, to fall in line with a president's policy.

Table 7: Number of U.S. Trade and Investment Treaties Per President⁶¹

| <i>President</i> | Number Treaties Ratified | Number of Treaties Submitted and Still Pending Senate Approval | Success Rate |
|-------------------------|---------------------------------|---|---------------------|
| <i>Jimmy Carter</i> | 11 (6) | 4 | 73% (5) |
| <i>Ronald Reagan</i> | 59 (4) | 2 | 96% (3) |
| <i>George Bush</i> | 65 (3) | 0 | 100% (1) |
| <i>William Clinton</i> | 76 (2) | 9 | 89% (4) |
| <i>George W. Bush</i> | 97 (1) | 3 | 97% (2) |
| <i>Barack Obama</i> | 29 (5) | 14 | 67% (6) |

⁶⁰ Jordans, Frank, and Seth Borenstein. November 4th, 2020. "US Formally Exits Paris Pact Aiming to Curb Climate Change." The Associated Press. <https://apnews.com/article/us-leaves-paris-agreement-climate-change-1331bc30021756454dda8eb7ff3c1075>

⁶¹ "Office of Treaty Affairs." October 2019. U.S. Department of State. <https://www.state.gov/bureaus-offices/treaty-affairs/>

Table 7 shows the number of international trade and investment ratified treaties within this study's sample. As noted previously, the first four administrations listed here had prioritized international trade and investment within their long-term economic goals, and the number of treaties signed by these administrations, save for President Carter, demonstrate a commitment to this policy goal. Interestingly, however, it is President George W. Bush who has the largest number of treaties passed into law, despite not listing it as a high priority for his administration. Also notable, President Obama not only has the least number of treaties signed into law by any two-term president, but also has the highest number of treaties of any president that were never passed by the Senate during his term, notably among them the Trans Pacific Partnership (TPP) agreement Obama's team had long pursued in achieving during his time in office.

The explanations for these outliers likely vary. As noted before, President Carter suffered from weak Congressional support throughout his entire tenure, a barrier to any treaty proposals that required Senate ratification. Additionally, Carter's term coincided with height of the Cold War, and therefore did not benefit from its ending, which opened up much of the previously Soviet-controlled world to opportunities for both diplomatic and economic relationships to be forged by later administrations. Finally, though Carter has the least number of treaties, two of the ones he did pass, the Panama Canal treaties, had both a large economic impact for the long-run, as well as jeopardizing any further treaties Carter could hope to pass during his term in office. The Panama Canal agreements under Carter allowed for Panama to regain control of the important waterway in 1999, almost twenty years after Carter left office. However, the resistance to the treaties, particularly amongst

Republicans, was so strong that amendments were added to the treaty by the Senate before ratification and Carter's already shaky support in Congress further plummeted as a result.⁶²

The number of treaties for Presidents George W. Bush and Barack Obama, meanwhile, can simply be explained by the fact that both presidents did not name international trade as an economic priority because they had too many domestic concerns to prioritize upon their arrival to the Oval Office. For W. Bush, the September 11th attacks and subsequent recession turned his attention away from making international treaties a priority publicly. Yet, he obviously intended to continue the initiatives began by his father and President Reagan before him, as evidenced by the numerous treaties passed by each of these administrations. Obama, too, prioritized passing treaties such as the TPP in the hopes of creating long-lasting, positive economic change while in office, but given the immediate needs of the 2008 Great Recession, the president did not list these hopes and dreams amongst his highest economic priorities. Unfortunately, many Americans also agreed with this prioritization of economic policies, and a growing wave of anti-globalization sentiment amongst both Democrats and Republicans led to both a desire to redefine the parameters of old trade treaties, such as NAFTA, as well as hesitancy to enter into new agreements such as the TPP.⁶³ This sentiment not only dashed Obama's hope of passing the TPP, but also set the stage for the protectionist policies advocated by both presidential candidates during the election to replace him.

However, despite this recent wave, it is clear that negotiating treaties can be a very successful strategy for presidents wishing to enact long-lasting economic policies. As noted

⁶² Skidmore, David. 1993. "Foreign Policy Interest Groups and Presidential Power: Jimmy Carter and the Battle over Ratification of the Panama Canal Treaties." *Presidential Studies Quarterly* 23, no. 3: 477-97.
<http://www.jstor.org/stable/27551108>.

⁶³ Skonieczny, Amy. 2018. "Emotions and Political Narratives: Populism, Trump, and Trade." *Politics and Governance*. Vol 6, No 4: 62-72.

previously, unlike EOs, they are hard to revoke by future administrations because of their Senate approval. Additionally, they create wide-sweeping policies, unlike vetoes, that not only impact a large number of industries throughout the U.S., but also potentially entire regions of the globe. Like appointments, individual treaties can have an outsized impact beyond the sheer number of those that are passed, as the Panama Canal, NAFTA, and several others demonstrate. Finally, though treaties require a blend of both unilateral power in negotiations, and soft power in Senate ratification, the success rates of almost all of the presidents in the sample of getting their proposed treaties passed is astronomically high, with the odds being in favor of presidents who are seeking to not only have a long-term national impact, but a global one as well.

Persuasion and Rhetoric and Coalition Building

When presidential achievements are listed, however, it is not the EOs, vetoes, appointments, nor even treaties that are often cited first. Rather, a large amount of credit is given to the chief executive who is able to sign into law the legislation that embodies the campaign promises one made on their way to the White House. Carter's initial energy package, the Reagan and W. Bush tax cuts, the Affordable Care Act are all examples of some of these far-reaching legislative victories. Indeed, in terms of longevity, legislation passed into law has seemingly the potential to outlive all other presidential policies. Unlike EOs and vetoes, laws are extremely hard to revoke by future administrations, as they either take an act by the U.S. Supreme Court, or a new law passed by Congress. One need only look at how often presidential candidates have run on the slogan of repealing their predecessors' legislative accomplishments, only to fail at doing so once in office (Republicans' attempts to end the Department of Education or the ACA are good examples). Yet, just as it is difficult to

align congressional support in revoking past laws, so too is it difficult to gather the necessary pieces to pass legislation in the first place, particularly laws that have the potential for long-term economic impacts. To do so successfully, presidents must rely on one, or both, of the soft powers at the disposal of their office: the persuasive power of their platform, and their ability to form political coalitions between various interest groups, legislatures, and party officials.

As noted above, James Stimson's analysis of broader public support for the president demonstrated that "[t]he approval accorded to Presidents by the American public is found to follow a cyclical pattern over time. All presidents begin their terms with great popularity, experience parabolic declines, steadily lose popular support for about three years, and then recover some at the end of their terms."⁶⁴ In other words, according to Stimson, presidents oftentimes have very similar levels of power when it comes to influencing and directing public opinion. As can be seen from Table 8, Stimson's cycle also holds true when taking the average level of presidential popularity, which is relatively consistent among the sample of presidents.

⁶⁴ Stimson, James A. 1976. "Public Support for American Presidents: A Cyclical Model." *Public Opinion Quarterly* 40 (1): 1-21.

Table 8: Presidential Popularity⁶⁵

| <i>President</i> | <i>Average Gallup Approval Rating</i> |
|------------------------|---------------------------------------|
| <i>Jimmy Carter</i> | 45.5% (6) |
| <i>Ronald Reagan</i> | 52.8% (3) |
| <i>George Bush</i> | 60.9% (1) |
| <i>William Clinton</i> | 55.1% (2) |
| <i>George W. Bush</i> | 49.4% (4) |
| <i>Barack Obama</i> | 47.9% (5) |

However, it is intuitively hard to believe that the charisma and rhetoric of a president does not have any impact on president's potential for success, even if figures on popularity do not provide any evidence of such a pattern. It is well-established that then-Senator John F. Kennedy won his debate against then Vice-President Richard Nixon because the first televised debate captured the young candidate's appeal to the general public better than his opponent.⁶⁶ Similarly, former-President Donald Trump dominated the news cycle every time he posted a Tweet, driving the national conversation towards topics he wanted to discuss

⁶⁵ "Presidential Approval Ratings: Gallup Historical Statistics and Trends." 2021. Gallup. <https://news.gallup.com/poll/116677/presidential-approval-ratings-gallup-historical-statistics-trends.aspx>

⁶⁶ NCC Staff. September 26, 2017. "How the Kennedy-Nixon Debate Changed the World of Politics." Constitution Center. <https://constitutioncenter.org/blog/the-debate-that-changed-the-world-of-politics>

and drowning out topics that may harm him politically.⁶⁷ But does this use of the bully pulpit result in any type of policy success, or is the more quiet, subtle nature of coalition building, more successful in creating lasting change?

As shown in the Table 8, President Carter had the lowest average approval rating among the public during his time in office. This little amount of public support, combined with weak internal resources from an outsider staff he mostly brought with from his days in Georgia, reduced Carter's effectiveness considerably in passing legislation to promote his long-term economic agenda, despite the existence of an existing coalition of party allies controlling both houses of Congress. Meanwhile, President Reagan was neither the most nor least popular president according to Gallup, but his success in utilizing both strong internal forces of experienced White House staffers from previous administrations, and the political coalitions of the party and special interests created during his campaigns, allowed him to have a large influence on Congressional behavior and enact many of his long-term economic policies. Most notably, legislation that Reagan was able to push through Congress using these soft powers included the Job Training Partnership Act of 1982 (his major jobs creation program and the first significant enactment of public-private partnerships), the Economic Recovery Tax Act of 1981 (which lowered top tax rates), and Social Security reform (which increased the Federal Insurance Contributions Act tax to increase the program's solvency). "Reaganomics" is still referenced today by politicians and economists alike due to the long-term economic policies Reagan successfully enacted using a wide variety of internal and external resources and executive powers.⁶⁸

⁶⁷ Keith, Tamara. November 18, 2016. "Commander-In-Tweet: Trump's Social Media Use and Presidential Media Avoidance." NPR. <https://www.npr.org/2016/11/18/502306687/commander-in-tweet-trumps-social-media-use-and-presidential-media-avoidance>

⁶⁸ Morgan I. 2008. Reaganomics and its Legacy. In: Hudson C., Davies G. (eds) *Ronald Reagan and the 1980s. Studies of the Americas*. Palgrave Macmillan, New York. https://doi.org/10.1057/9780230616196_7

President H.W. Bush attempted to continue Reagan's legacy. His efforts, however, were unsuccessful despite having much of the same internal resources as his predecessor. Instead, like Carter, H.W. Bush was unable to successfully develop and utilize the political coalitions necessary to sway the Democratically controlled Congress to pass proposals like his federal budgets and its provisions that intended to curb spending. This resulted in H.W. breaking his campaign promise for "no new taxes," and led to a drop of both his political capital and popularity over time, despite having the highest overall average level of popularity amongst this study's sample. Having used all of his political capital in passing a handful of laws and coordinating the Gulf War, H.W. Bush was unable to push the Senate into signing NAFTA, despite his many years of negotiating and signing the massive trade agreement.⁶⁹ It was later ratified under his successor, President Clinton. In short, even with a great deal of public support, the lack of a strong coalition in Congress meant H.W. Bush was resigned to the same unilateral tactics as Carter that allowed him to bypass opposition, but didn't result in as much long-lasting legislation.

President Clinton, like Reagan, came into office during a downturn of the national economy and with a platform to reverse this trend. Though the young and inexperienced staffers made early mistakes, Clinton's stirring rhetoric and persuasive tactics allowed him to remain one of the most popular presidents in office, even while facing impeachment. Clinton used this soft power to his advantage in such legislative achievements as the signing of NAFTA and welfare reform. However, an opposition-controlled Congress prevented the passage of his healthcare reform package, a major blow to the administration. In response,

⁶⁹ Lewthwaite, Gilbert A. December 18, 1992. "Bush Signs North American Trade Pact; Clinton Says He Won't Renegotiate." The Baltimore Sun. <https://www.baltimoresun.com/news/bs-xpm-1992-12-18-1992353055-story.html>

Clinton had the second highest number of executive orders amongst the presidents; an example of his attempts to bypass the politically opposed roadblocks from Congress.

President George W. Bush's goals and methods were quite similar to those of Reagan, whose administration he drew on for both staffers and ideas alike. As each of his advisors point out, the administration saw a lot of success in getting long-term economic legislation passed early in their first term, namely the "Bush" tax cuts and Medicare reform, among others. However, as Chairman of the Council of Economic Advisors Harvey Rosen discusses, while President Bush was successful in persuading Congress and forming strong political coalitions to pass legislation, his and the administration's attempts at utilizing the infamous "bully pulpit" were less successful, particularly in the attempts to reform Social Security. According to Rosen, Social Security reform "would have been a higher probability of success if the president had been explicit during the 2004 campaign that if he were elected, he would pursue Social Security reform."⁷⁰ Thus, despite the wide successes in establishing several policies that would carry on into his successor's economy, the administration was not successful in all of its endeavors and couldn't utilize the full powers of the presidency before the opposing party took control of Congress. As Rosen continues to say, despite the many victories, the losses still haunted both the President and his staff, and "[e]veryone was bitterly disappointed that we made no progress on this effort."⁷¹

President Obama employed the tactic set forth by Light and utilized the political capital gained from his election victories, which saw the rise of strong Democratic political coalitions and a large amount of public support for the President. With a Democratic majority in Congress, President Obama was able to pass his key legislative goals: the stimulus

⁷⁰ Rosen, Harvey. Interview #2, Appendix, 2013.

⁷¹ Rosen, Harvey. Interview #2, Appendix, 2013.

bill and the Affordable Care Act (ACA). Both of these pieces of legislation, as well as President Obama’s attempts to reduce forces in Iraq and Afghanistan, have had major implications for future economic conditions and will undoubtedly shape the long-term economy. However, the rise of Republican opposition and its retaking of the House of Representatives, coupled with falling public support and continued economic struggles slowed down legislative successes for the Obama administration in his final years in office.

Table 9: Laws Enacted Under Each President⁷²

| <i>President</i> | Total Bills Introduced | Failed Legislation | Enacted Laws | % Laws Enacted |
|-------------------------|-------------------------------|---------------------------|---------------------|-----------------------|
| <i>Jimmy Carter</i> | 36,490 | 0 | 1,540 (4) | 4% (3) |
| <i>Ronald Reagan</i> | 48,318 | 14 | 2,654 (1) | 5% (1) |
| <i>George Bush</i> | 23,803 | 53 | 1,275 (6) | 5% (1) |
| <i>William Clinton</i> | 37,794 | 121 | 1,818 (3) | 4% (3) |
| <i>George W. Bush</i> | 48,572 | 101 | 1,830 (2) | 4% (3) |
| <i>Barack Obama</i> | 48,764 | 111 | 1,294 (5) | 3% (6) |

Table 9 gives us a glimpse of how active Congress was under each president, and insight into how successful each president was at creating coalitions to pass laws while

⁷² “Statistics and Historical Comparison – Bills by Final Status.” 2021. Govtrack. <https://www.govtrack.us/congress/bills/statistics>

serving as head of the Executive Branch. As can be gathered from the analysis above, despite the relative consistency in the percentage rate of the number of laws enacted under each administration, the Reagan, Clinton, and W. Bush presidencies saw similar, and significantly larger, numbers of actual laws passed than the one-term presidents, and President Obama. Like the analysis of vetoes, appointments, and treaties, the quantitative analysis should not overshadow the qualitative importance of the laws that were indeed passed, as is the case with the ACA and stimulus bills that were passed under President Obama, despite his being ranked at the bottom of the list in the number of laws passed during his terms in office.

It should be noted, however, that the percent of laws enacted are extremely low, especially when compared to the success rate of the deployment of the other powers that have been analyzed thus far. Therefore, it is important to remember, that while legislative victories deserve a great deal of credit for their potential longevity and widespread influence, the amount of time, energy, and political capital compared to the other powers on this list call into question their relative value. In some cases, the sacrifices, compromises, and deals that need to be made in order to pass legislation may be too high of a cost in the end for only marginally impacting the economy in the desired manner.

Summary

The analyses of each presidency provide examples of both successes and failures in creating long-term economic policies, with each administration using a different combination of presidential powers and influence to reach those ends. Each president attempted to enact policies by using their pools of political capital and persuasive rhetoric early in their presidencies to motivate the public and sway congressional members (Reagan's tax cuts and Obama's healthcare laws were both some of the earliest pieces of legislation passed during

their administrations). However, as time went on, most presidents began losing their external power in regards to congressional and public support, which slowly ate away at their coalition/party building and persuasive powers, and thus almost each of the administrations saw an increased use of unilateral actions, such as executive orders and vetoes, as time went on. This was especially the case after opposing parties took control of Congress during midterms and during their overall second terms (save Carter and H.W. Bush, the only one-term presidents in this analysis).

Table 10: Hard Power Usage Rankings

| <i>President</i> | Total EOs Ranking | % EOs Not Repealed Ranking | Total Vetoes Ranking | Veto Success Rate Ranking | Ranking Totals |
|-------------------------|----------------------------------|---|-------------------------------------|--|---------------------------|
| <i>Jimmy Carter</i> | 3 | 6 | 4 | 4 | 17 (5) |
| <i>Ronald Reagan</i> | 1 | 3 | 1 | 5 | 10 (1) |
| <i>George Bush</i> | 6 | 4 | 2 | 1 | 13 (3) |
| <i>William Clinton</i> | 2 | 4 | 3 | 2 | 11 (2) |
| <i>George W. Bush</i> | 4 | 2 | 5 | 6 | 17 (5) |
| <i>Barack Obama</i> | 5 | 1 | 5 | 3 | 14 (4) |

Despite these similarities and trends, there are indeed clear differences between presidents and the powers they used to enact long-term economic policy. Those presidents that struggled the most in enacting their long-term economic policy goals were often those who only served one term and were unable to pass legislation through a hostile Congress, specifically Carter and H.W. Bush, suggesting that some of the most effective powers a

president can use are his coalition and party building capabilities, as well as public persuasion. These skills were seen as absent in the Carter and H.W. Bush administrations, which not only lacked success in achieving some of their highest legislative priorities, but also failed to gain enough support to be elected to a second term.

Table 11: Hybrid Power Usage Rankings

| <i>President</i> | Judicial Appointments Rankings | Chairperson Appointments Rankings | Total Treaties Rankings | Treaty Success Rate Rankings | Totals Rankings |
|----------------------------|---|--|--|---|----------------------------|
| <i>Jimmy Carter</i> | 5 | 2 | 6 | 5 | 18 (5) |
| <i>Ronald Reagan</i> | 1 | 4 | 4 | 3 | 12 (3) |
| <i>George Bush</i> | 6 | 5 | 3 | 1 | 15 (4) |
| <i>William Clinton</i> | 2 | 3 | 2 | 4 | 11 (2) |
| <i>George W. Bush</i> | 3 | 1 | 1 | 2 | 7 (1) |
| <i>Barack Obama</i> | 4 | 6 | 5 | 6 | 21 (6) |

Presidents who were not necessarily the most popular, specifically W. Bush, were able to overcome their ineffectiveness in generating public support by utilizing previously formed political coalitions and experienced staffers from earlier administrations. W. Bush's ability to build congressional support for his nominees and treaties without a strong track record of using his "bully pulpit" show that the power of persuasion when used alone is oftentimes not enough. Rather, this power seems to require additional influence to achieve

goals, and thus a hybrid of soft-skills, when combined with powerful hard skills (such as those he gained from a team of strong and experienced nominees and negotiators with a great deal of governmental experience) may be the most effective tool a president has to create long-term policy change.

Table 12: Soft Power Usage Rankings

| <i>President</i> | Popularity Rankings | Total Laws Rankings | Laws Success Rate Rankings | Totals Rankings |
|-------------------------|--------------------------------|------------------------------------|---------------------------------------|----------------------------|
| <i>Jimmy Carter</i> | 6 | 4 | 3 | 13 (5) |
| | | | | |
| <i>Ronald Reagan</i> | 3 | 1 | 1 | 5 (1) |
| | | | | |
| <i>George Bush</i> | 1 | 6 | 1 | 8 (2) |
| | | | | |
| <i>William Clinton</i> | 2 | 3 | 3 | 8 (2) |
| | | | | |
| <i>George W. Bush</i> | 4 | 2 | 3 | 9 (4) |
| | | | | |
| <i>Barack Obama</i> | 5 | 5 | 6 | 16 (6) |
| | | | | |
| | | | | |

Similarly, presidents who had strong coalition support in both Congress and special interests, such as President Obama, were initially successful in passing desired legislation, but unable to sustain these advantages over their entire terms (the 2010 midterms saw an end to Democratic control of both the House and Senate). Thus, these tactics are not effective in generating continued policy successes throughout one's entire time in office. President Reagan was able to avoid this pitfall, showing his adaptability at not only deploying his hard powers, but also ranking first in the cumulative soft power scores, as shown in Table 12

above. His example further showcases the effectiveness of balance in deploying powers, rather than relying on one more than others. Reagan seemingly tackled problems from multiple fronts, and doing so allowed him to strategically deploy his political capital rather than use it all up on initial legislative victories, as was the case for Clinton and Obama.

Table 13: Total Use of Powers by President

| <i>President</i> | Hard Power Score | Hybrid Score | Soft Power Score | Totals |
|-------------------------|-----------------------------|-------------------------|-----------------------------|---------------|
| <i>Jimmy Carter</i> | 5 | 5 | 5 | 15 (5) |
| | | | | |
| <i>Ronald Reagan</i> | 1 | 3 | 1 | 5 (1) |
| | | | | |
| <i>George Bush</i> | 3 | 4 | 2 | 9 (3) |
| | | | | |
| <i>William Clinton</i> | 2 | 2 | 2 | 6 (2) |
| | | | | |
| <i>George W. Bush</i> | 5 | 1 | 4 | 10 (4) |
| | | | | |
| <i>Barack Obama</i> | 4 | 6 | 6 | 16 (6) |
| | | | | |

In truth, the powers that demonstrated the greatest amount of both longevity and potential for overall impact were those that were identified as hybrid powers: nominating appointees and negotiating treaties. As was seen, these powers, unlike the others, had high rates of success, are difficult to overturn by future administrations, and can have a massive impact on the economy of both the nation (ex: interest rates set by the Fed) and the world (international trade and investment treaties). While nominations rely more on the individual nominee's own decision-making, and does not guarantee that they will always align with the

president who nominated them (a good example of this is the surprise many Supreme Court experts expressed when Chief Justice John Roberts upheld the ACA's individual mandate, despite having been nominated by a Republican), international treaties are largely the product of a president's efforts in diplomatic and foreign affairs, as well as coalition building at home. The cumulative scores compiled for this analysis bear this out: the presidents who showed success in deploying the hard, hybrid, and soft powers rank near the top of the overall leaderboard in Table 13, suggesting that all of these skills are necessary for a president to enact the long-lasting policies they want to pass. Thus, a president who wishes to pursue long-lasting economic policies as part of their legacy should concentrate on developing both the hard and soft skills necessary to deploy these powers, particularly hybrid powers such as treaty negotiations, as they have the greatest rate of success, and likely impact, over time.

Overall Observations

This essay sought to answer the question of whether or not presidents have the ability to influence the long-term national economy through the office's policymaking powers, and determine which presidents and powers are most effective at enacting such policies. Analyses of each presidency showed both successes and failures within each administration, as well as uses of each type of power to varying degrees by each president. However, those presidents that were capable of utilizing both the hard and soft powers of coalition and party building, particularly when ratifying trade and investment treaties, were more successful in enacting far-reaching and long-lasting economic policies, though these powers were not consistent in creating successes among every presidency.

This evidence contradicts the traditional presidential power theories of Schlesinger and Neudstant, as success rates were not continually increasing over time as more and more power became concentrated in an imperial office of the president, and persuasive presidents such as Clinton were less successful at enacting certain policies than less talented users of rhetoric and public opinion, such as W. Bush. Indeed, the evidence of presidential success actually indicates that long-term economic powers of the president fall in line with Skowronek's theory of presidents being subjects to what he calls "political time," stating:

It takes more than a new coalition and a new constitutional vision, more than a new program bursting with material services and supports with which to develop the nation's economy, more than political sensitivity to public opinion and skill manipulating it, but it also takes the correct political time and conditions to act.⁷³

Skowronek's theory, as this paper showed, points to the political environments a president enters office in and serves during as having the greatest impact on their success to enact policies, in this case long-term economic ones. Skoworonek attests that political time is actually cyclical, and that the most successful presidents come into power during similar circumstances, as do those that are the least successful, and all follow identical tracks on how their presidencies develop. Those that are the most successful administrations are those that enter office during times of revolutionary political regime change, usually from one party to another, and often seek to establish new orders in opposition of those that seemingly failed in the previous administration, all of which could describe the presidencies of Reagan and Clinton. Their direct successors, such as H.W. Bush, can only try to sustain this revolution, but often come up shorter than the revolutionaries, as the ability to hold together such

⁷³ Skowronek, Stephen. 1997. *The Politics Presidents Make: Leadership from John Adams to Bill Clinton, Revised Edition*. Belknap Press. 119.

power and influence often wanes over time (Light's Paradox applied to the long-term). Eventually, the regime will fall apart and those trying to hold power during this time will often face the task of trying to bridge the fallen regime with the impending revolution, but most fail to reach the levels of support needed to achieve full revolutionary change due to the persistence of old guards in place. Finally, a new revolutionary will return and usher in the most drastic change seen in the presidency in years, and thus use all of the powers of the office to their greatest potentials in enacting desired policies.

This theory is the best at describing which presidents were successful or not in enacting long-term economic changes during their time in office, and though further research and testing must be done to verify this claim, the theory and the evidence provided from this study does provide a framework to determine which presidents have had and will have in influencing the long-term national economy during their presidencies.

Revolutionaries like Reagan and Clinton not only had the greatest amount of success in using their powers of coalition building to enact long-term economic policies, but they both displayed the unique circumstances of opportunities in political time that those less successful presidents were unable to achieve during their attempts to pass similar legislation. Carter could not end inflation, H.W. Bush was unable to continue Reagan's legacy, and W. Bush couldn't pass Social Security reform all because they were trying to make these things happen before the country was ready for the changes to take place. Instead, their efforts provided the basic framework for their successors' achievements, allowing them to draw on both the insight and failings of previous attempts and combine them with their own political resources to take advantage of a later political time and pass sweeping, revolutionary policies that would have an impact on the long-term national economy.

Despite this conclusion, however, further work must be done to fully understand the impact of these actions by presidents on the long-term economy, whether they are intentional or not, and how these policies have truly shaped the nation in the long-term. In this next chapter, it will be clear who is responsible, who should receive the credit or blame for the state of the nation's economy at any point in time. Only by completing these analyses will there be a clear understanding of the president's ability to shape the long-term national economy, and be able to make informed decisions as voters about candidate potential and performance, as well as provide lawmakers with the understanding of how to best create policy, and which of these powers should indeed be deployed for creating a strong national economy in the long-run.

Chapter III

Impact Imminent

Analyzing the Impact of Presidential Powers on the Long-Term Economy

“Change will not come if we wait for some other person, or if we wait for some other time. We are the ones we’ve been waiting for. We are the change that we seek.”

-Barack Obama, Forty-Fourth President of the United States of America

Actions and Reactions

The previous chapters found evidence that presidents have the desire and incentive to create policies that will have a long-term economic impact on the nation, and that they have a wide-variety of powers at their disposal to enact such policies, particularly ones that combine both the hard and soft skills afforded to the office. But what does all of this intent and action lead to, if anything? It has already been noted that presidents are only one individual in a multi-faceted federal government, which serves over seven million citizens and an economy measuring over \$20 trillion, and that much of their success in creating policy results from the political time upon which they take office. So, do the presidential actions that have been analyzed thus far have the impacts their presidents desired, or is “The Most Powerful Person in the World” unable to make as much of a difference as voters give them credit (or blame) for?

Political scientists and economists have long been studying the economic impact of presidential policies, especially in the short-term. Clifford F. Thies notes that “the people care a lot about the economy,”⁷⁴ and Mark Zachary Taylor created an “Economic Ranking of the US Presidents, 1789-2009” to provide data on where each administration stands in regards to historical economic performance.⁷⁵ But like the political business cycle identified by William Norhaus and the many scholars who continued his work, these studies have limited their evaluation of economic performance to the time when a president was in office. Indeed, even recent breakthroughs in presidential studies, such as Alan S. Blinder and Mark W. Watson’s determination that “US economy has performed better when the president of

⁷⁴ Thies, Clifford. 2014. “Ranking the Presidents: Scholars versus The People,” *Academic Questions* (Springer Nature) 27, no. 1: 79-93.

⁷⁵ Taylor, Mark Zachary. 2012. “An Economic Ranking of the US Presidents, 1789-2009: A Data-Based Approach.” *PS* 45 (4) 596-604.

the United States is a Democrat rather than a Republican,” a finding they call the Democratic- Republican gap (or D-R gap), is contained to only a president’s own term in office, plus one single quarter of the following administration.⁷⁶ Even studies that seek to broaden these theories into the long-term, such as Jacob Hacker and Paul Pierson’s work on the political business cycle and Tim Kane’s extension of the D-R gap into a series of longer lag periods, restrict themselves to a single economic measurement for success (income inequality for the former, and GDP growth for the latter), thus limiting the full picture of the many different ways a president can impact the long-term national economy.

What these studies do show us, however, is that whether or not a president is directly responsible for the economic health of the nation, the voters will hold him accountable for it on election day. Yet, as Gary C. Jacobson pointed out in regards to the 2012 election, which president the public chooses to pin economic performance on has shifted:

The public’s view of the economy was overwhelmingly negative: at the start of the election year, 79 percent of Americans had rated the economy as “fairly bad” or “very bad,” and 68 percent continued to do so in October. And throughout the year, large majorities identified the weak economy as the most important national problem and election issue...

The public also doubted the efficacy of Obama’s policies for dealing with economic challenges. His stimulus package (the American Recovery and Reinvestment Act of 2009) continued to get at best tepid reviews, although not as bad as in 2010; the results of an October 2012 Pew survey were typical: just 33 percent of respondents believed that it improved the economy, with 35 percent saying it made it worse and 27 percent saying it made no difference. On average, during 2012, only 43 percent of Americans approved of Obama’s economic management...

Based on the historical record, economic conditions were clearly a major threat to Obama’s reelection. How was he able to survive the threat?...What protected Obama from the full force of economic discontent? In a word,

⁷⁶ Blinder, Alan. S., and Mark W. Watson. 2016. “Presidents and the US Economy: An Econometric Exploration.” *American Economic Review* 106 (4): 1015-45.

partisanship...Obama won because, despite the weak economy, he received overwhelming approval and electoral support from ordinary Democrats...

A good part of the reason is that Democrats could and did blame someone other than Obama for economic problems: George W. Bush...a majority of Americans continued to blame Bush more than Obama for economic conditions throughout Obama's first term...[and] among Democrats, however, the margin did not diminish at all.⁷⁷

This chapter intends to bring all of the previous findings together in order to close the gap in both the public knowledge and existing research. First, the measurements of economic well-being used in the evaluation of (LTEI) is identified, in addition to economic growth rates as measured by GDP. Once the parameters are set, the comparison is made between how presidents have been traditionally evaluated (economic conditions in the short-term, during their own term), as well as the more recent standard emerging among the public (the less well-defined and researched long-term). Following the discussion on overall economic performance, the chapter takes a closer look at whether presidents were able to achieve their original economic policy goals, and using the analysis on presidential powers, determine how they did so. Finally, the analysis concludes by taking a broad look at both individual presidential economic performance in the long-term, as well as overall success of the office as a whole.

Measures of Success

As mentioned above, while some studies, such as Blinder and Watson's, measure multiple economic conditions during a presidential term in office, long-term studies almost

⁷⁷ Jacobson, Gary C. 2013. "How the Economy and Partisanship Shaped the 2012 [US] Presidential and Congressional Elections." *Political Science Quarterly* 128 (1): 1-38.

exclusively focus on only tracking the economic performance of a president with one variable. However, just as presidential powers are multifaceted and able to influence policymaking in numerous different ways, so too can it impact different areas of the national economy. Thus, for this analysis, the data that experts often cite will be broadened when diagnosing the economic health and well-being of the nation. As the Bureau of Economic Analysis (BEA) states, “in recent years there has been a renewed interest in economic statistics that go beyond GDP in measuring well-being.”⁷⁸ Taking the BEA’s lead in their own measures of Economic Well-Being, the data sets that will be used for the analysis include:

- **Economic Growth as measured by GDP** – the most common measurement for a nation’s economic well-being Gross Domestic Product (or GDP) measures the total value of all the finished goods and services produced within the U.S.
- **GDP Per Capita** – GDP per capita standardizes wealth and production levels for population, and is often used as a proxy for a nation's standard of living.
- **Real Median Personal Income** – similar to GDP per capita, real media personal income is adjusted for household size, and provides an inflation-adjusted measure of total income received by the "middle" income household, whose income is below 50% of households and above the other 50% of households. According to the BEA, “Real median personal income is a more appropriate gauge of how the U.S. economic pie is distributed because it focuses on how income accrues to households rather than on GDP, which is a measure of production.”⁷⁹

⁷⁸ “Prototype Measures of Economic Well-Being and Growth.” 2020. Burea of Economic Analysis. <https://apps.bea.gov/well-being/>

⁷⁹ “Prototype Measures of Economic Well-Being and Growth.” 2020. Burea of Economic Analysis. <https://apps.bea.gov/well-being/>

- **Household Wealth** – Measured by net worth (that is, household assets less liabilities) household wealth is an important measure of economic health because it increases economic welfare by supplementing income for large purchases, unemployment, emergencies, retirement, education, and bequests to heirs.
- **Inflation** – The rate of increase in prices over a given period of time. The BEA claims that “High and variable rates of inflation, can affect economic well-being, including eroding the real income and purchasing power of those on fixed incomes and more generally transferring income from debtors to creditors.”⁸⁰
- **Unemployment** – The level of nonworking citizens in the U.S. who are still searching for and looking to work, but are unsuccessful in doing so. This does not include those able to work but who have stopped searching for employment.
- **Overall Trade** – The combined levels of both exports and imports. This is not to be confused with the national Trade Deficit, the measurement of exports minus the level of imports. The Trade Deficit, while useful, has been relatively steady in the negative for the time period being looked at in the analysis, and thus does not provide a suitable measure for the positive influence a president might have by engaging in increased levels of trade. As the BEA states, “trade yields higher growth and standards of living,” by “allowing for specialization across nations and raising productivity.”⁸¹
- **Average Budget Deficit to GDP Ratio During Term** – one of the most common policy goals of the presidents within the sample, the budget deficit measures the gap

⁸⁰ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis. <https://apps.bea.gov/well-being/>

⁸¹ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis. <https://apps.bea.gov/well-being/>

between the federal government's earnings and spending, in this case, measured as against the overall production (GDP) of the nation. Because the federal budget is usually established on an annual basis, this measurement does not show in the long-term analysis of presidential policies, as each president should, theoretically, have the sole role as executive each time the budget is created.

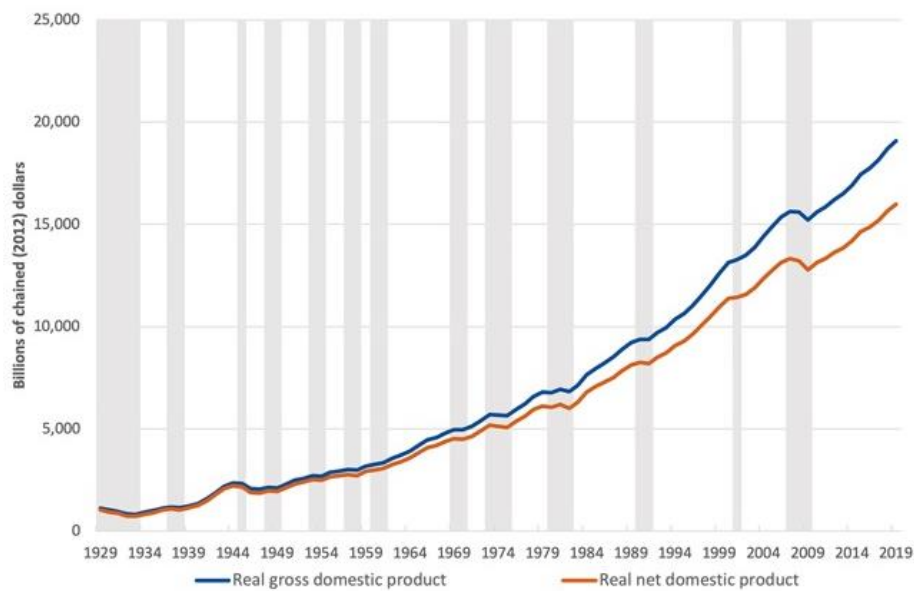
Data for each of these categories comes primarily from the BEA, as well as tools provided by the Federal Reserve Bank of St. Louis (FRED) and the U.S. Bureau of Labor Statistics.

Overall Presidential Performance

Before looking at the individual records of each president, we must first look at the success of the office in general. Doing so will provides the clarity necessary to discern which presidents may have either contradicted or helped move forward this trajectory during their own time in office, thus better isolating their individual impacts away from general trends in the overall economy and governmental action.

For example, as the graph below from the BEA showcases, the general trend of U.S. economic growth, as measured by GDP (blue line), has increased over almost consistent rate during the modern era being examined.

Figure 2: U.S. GDP Over Time⁸²



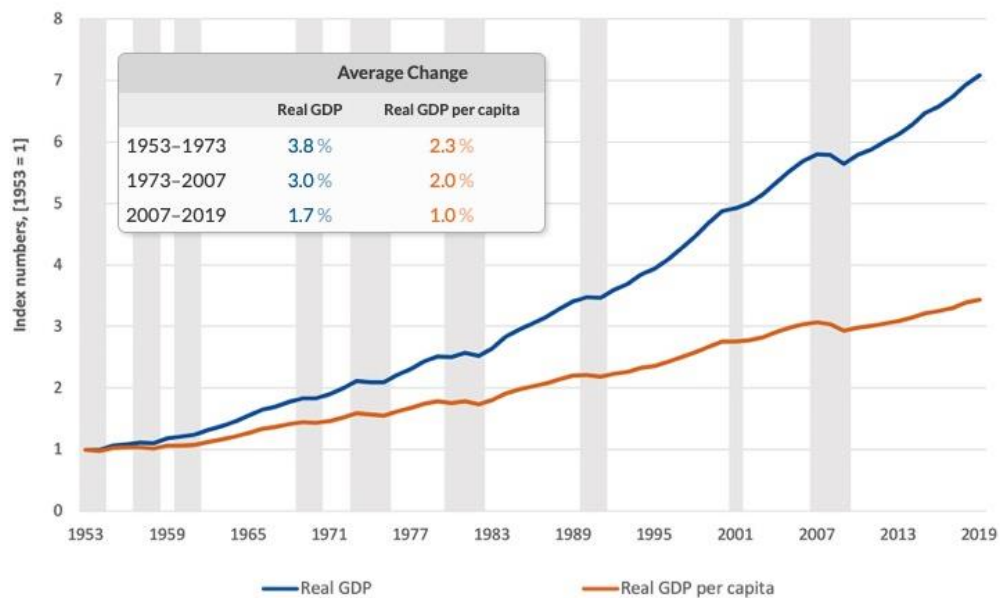
Data: Real GDP and real net domestic product, 1929–2019

Source: BEA NIPA table 1.7.6

The only fall from this path came with the 2008 financial crash and the Great Recession that followed, but even after that outlier, the trend line of growth resumes only a couple of years later. The same trend, though at a lower rate, can be seen for GDP per capita and level of Household Wealth, both shown with the orange lines in Graph 3 and 4 below.

⁸² “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis. <https://apps.bea.gov/well-being/>

Figure 3: U.S. GDP Per Capita Over Time⁸³

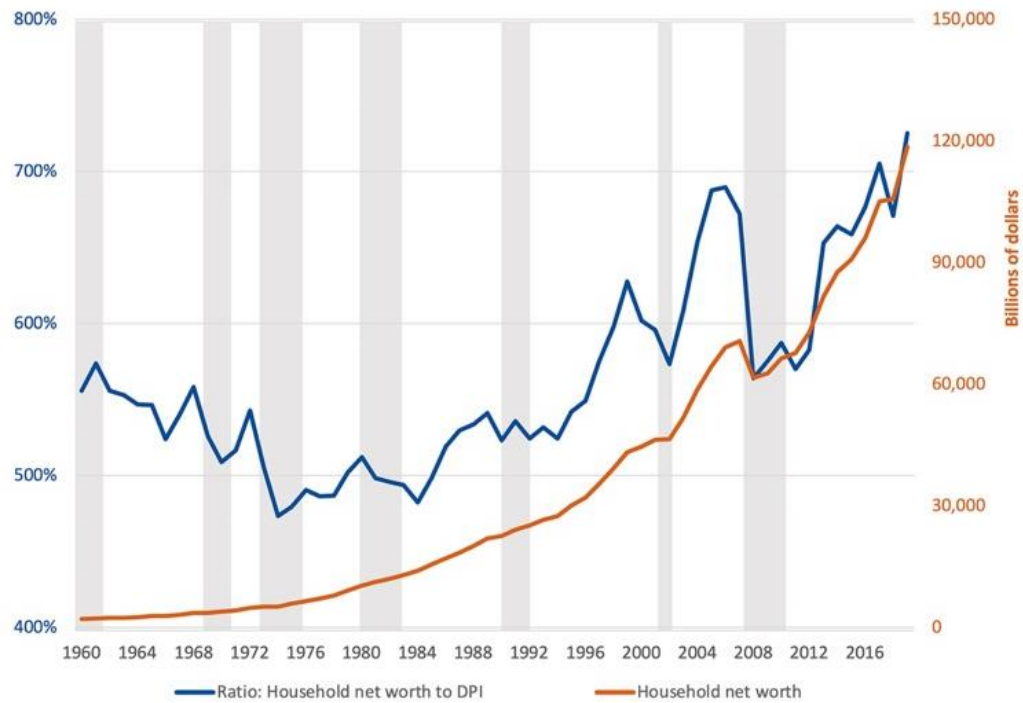


Data: Real GDP and real GDP per capita, 1953-2019

Source: BEA NIPA table 1.1.6 and NIPA table 7.1

⁸³ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis.
<https://apps.bea.gov/well-being/>

Figure 4: U.S. Household Wealth Over Time as Measured by Net Worth⁸⁴



Data: Ratio of household net worth to disposable personal income (DPI) and household net worth, 1960–2019

Source: BEA-FRB integrated macroeconomic accounts table S.3.a, BEA NIPA table 2.1

In 2019, the Federal Reserve Board (FRB) introduced Distributional Financial Accounts of the United States, which include estimates of the distribution of household wealth. As part of its GDP and Beyond initiative, BEA plans to work with FRB to develop integrated accounts for the distribution of U.S. household income, consumption, and wealth.

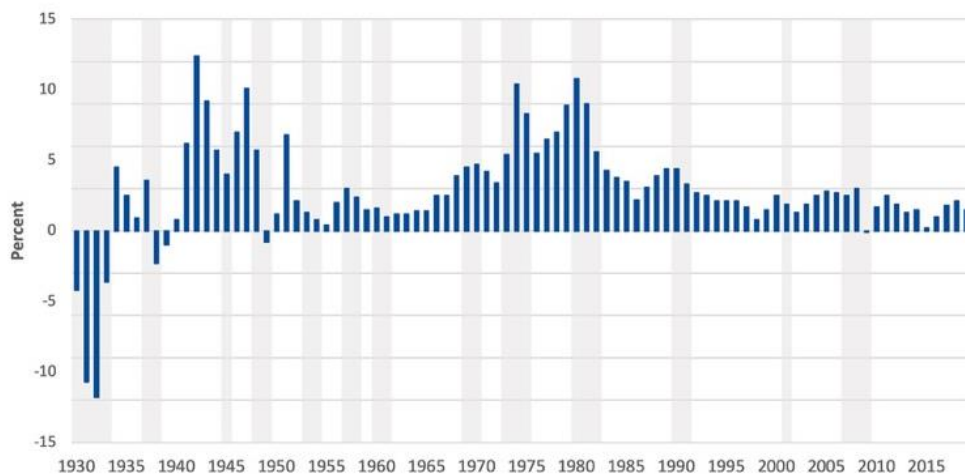
This consistent trajectory brings up two questions of relevance to this study. First, the constant growth rate, of around 2% on average, indicates that the presidency, with its variance in party and individual holding office over the same time period, either does not have much influence on this trajectory, or that individual presidents do not take actions differing from their fellows that may have a noticeable impact. This brings up the second

⁸⁴ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis. <https://apps.bea.gov/well-being/>

question, that if presidents do not have much of an impact on economic growth, but GDP as a measurement of economic performance is the main economic measure used in most presidential studies, than do these studies provide an accurate picture of which presidents had the most influence on the national economy?

Some of the additional economic measures clear up some of these questions. A look at inflation rates over time, as shown in Graph 5 below, shows variance in its levels between presidencies, especially from the beginning of the sample (the 1970s) to the end (today).

Figure 5: U.S. Inflation Over Time⁸⁵

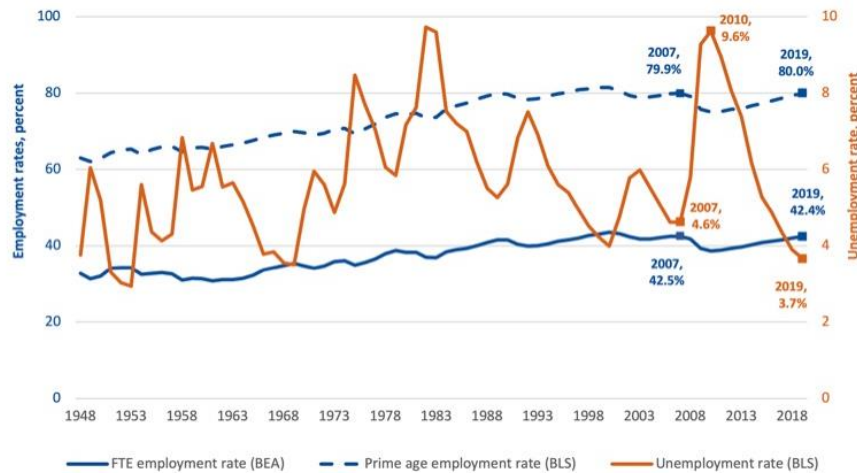


Data: Percent changes in PCE price index, 1930–2019
Source: BEA NIPA table 1.6.7

⁸⁵ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis. <https://apps.bea.gov/well-being/>

The same can be said for the variance observed in the trends for unemployment (Graph 6), international trade levels (Graph 7), and the federal budget deficit (Graph 8).

Figure 6: U.S. Employment Levels Over Time⁸⁶



Data: Employment and unemployment rates, 1948-2019

Source: BEA NIPA table 6.5A-6.5D and NIPA table 7.1, Bureau of Labor Statistics

Full-time equivalent (FTE) employment rate calculated as FTEs divided by population. Prime age employment rate calculated as number of employed civilian persons aged 25-54 divided by population of civilian noninstitutional persons aged 25-54. In concept, the number of persons employed plus the number of persons unemployed plus the number of persons not in the labor force should equal the population.

⁸⁶ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis. <https://apps.bea.gov/well-being/>

Figure 7: U.S. Trade Levels Over Time⁸⁷

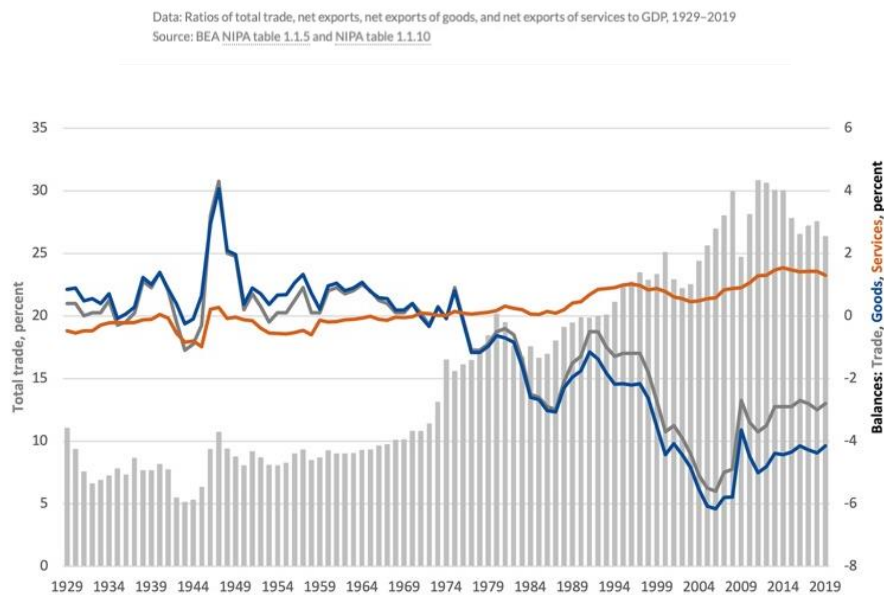
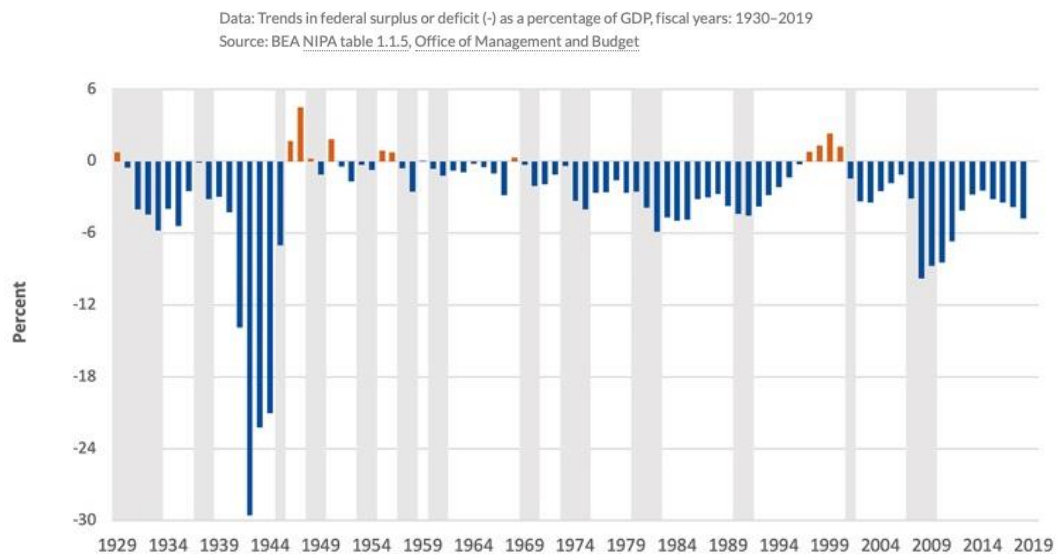


Figure 8: U.S. Budget Deficit Over Time⁸⁸



⁸⁷ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis.
<https://apps.bea.gov/well-being/>

⁸⁸ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis.
<https://apps.bea.gov/well-being/>

These variances can be directly attributed to presidential actions identified as being within the president's powers to influence. For example, the drastic changes in inflation can be tied to overall fiscal policy by the federal government, particularly the Federal Reserve. As noted earlier, the Fed's large impact on both the short-term and long-term economic conditions of the nation is well-documented, with various researchers finding evidence that its monetary and fiscal policy "powerfully influences real growth in the short run and inflation in the long run."⁸⁹ Thus, the president's naming of Federal Reserve chairpersons and board members likely contributed to the differences seen between administrations. Similarly, the president's central role in the federal budget process, from proposal, to negotiating with congressional leaders, to signing the eventual bill into law, is the perfect example of their coalition building, soft powers. The data from the BEA shows that not all presidents used this power, however, to reach the same ends, as the level of the deficit varies significantly between administrations. As economists across the political spectrum note:

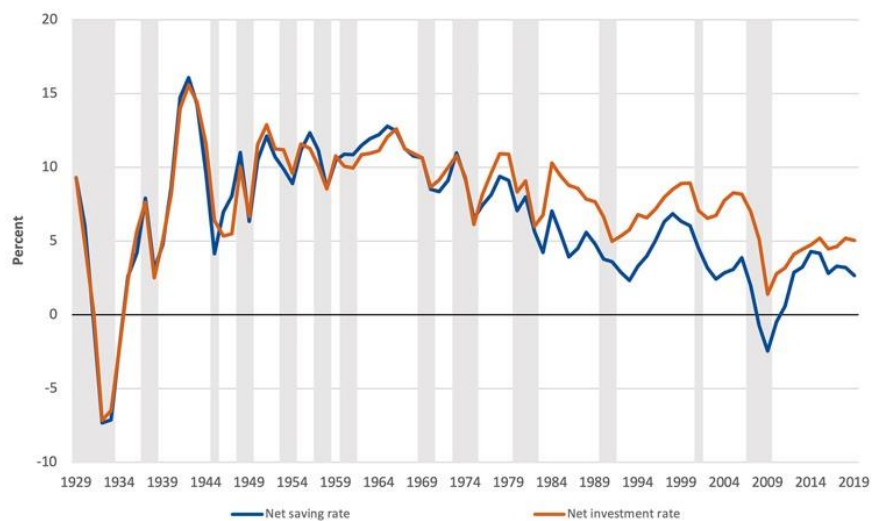
Increases in federal budget deficits affect the economy in the long run by reducing national saving (the total amount of saving by households, businesses, and governments) and hence the funds that are available for private investment in productive capital. Deficits thus "crowd out" private domestic investment in the long run. Less investment leads to a smaller stock of capital and lower output. Lower output and lower national saving lead to a lower standard of living for U.S. households than would otherwise be the case.⁹⁰

⁸⁹ "The Impact of the Federal Reserve System's Monetary Policies on the Nation's Economy." 1976. FRASER, Federal Reserve Bank of St. Louis.
https://fraser.stlouisfed.org/files/docs/historical/federal%20reserve%20history/impact/HR_94_2_121976.pdf

⁹⁰ Huntley, Jonathan. February 2014. "The Long-Run Effects of Federal Budget Deficits on National Saving and Private Domestic Investment." Congressional Budget Office.
https://cbo.gov/sites/default/files/cbofiles/attachments/45140-NSPDI_workingPaper.pdf

Thus, the direct actions of the president, in using their soft powers to impact the legislative process, could be said to impact the downward trend in net investment and net saving that the BEA has identified as having trended downward during the post-WWII era, as shown in Graph 9 below. The BEA claims that the “downward trend in net investment has slowed growth in U.S. capital stock and capital services, accounting for a large share of decline in trend GDP growth.”⁹¹ Their report also notes that this has widened for the past 35 years, with the net saving rate turning negative in 2008 for the first time since the Great Depression.

Figure 9: U.S. Net Saving and Net Investment as Share of GDP Over Time⁹²



Data: Net saving and net investment as percentages of GDP, 1929–2019
Source: BEA NIPA table 1.1.5 and NIPA table 5.1

⁹¹ “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis. <https://apps.bea.gov/well-being/>

⁹² “Prototype Measures of Economic Well-Being and Growth.” 2020. Bureau of Economic Analysis. <https://apps.bea.gov/well-being/>

In short, a look at the trends of economic measures shows that while some indicators have maintained steady trends throughout multiple administrations, there is evidence that certain trends experience greater volatility over time. Indeed, this conclusion strengthens the call for greater investigation into the wider economic impact of presidents than simply looking at the most common economic measurements, such as growth in GDP while in office. The volatility in indicators such as inflation and net savings can be attributed at least in part to the president's ability to nominate long-serving administrators (deploying a hybrid power), and to pass a budget through Congress and thus impact the deficit (deploying a soft, collaborative power). This further suggests that presidents able to use a wide variety of the powers at their disposal will likely be able to impact the economy in the long-term in more numerous ways than those presidents who only, either by choice or circumstance, attempt to enact economic policy through a single type of presidential power.

Short-Term

In this, as well as the long-term data, this chapter will be looking at the change of each economic measure from one point of time to the next in order to quantify what progress was made by a president and his team in addressing each of these metrics. For the short-term, this means the change from their second year in office to one year after they leave the White House. This one year lag helps to account for the inherit delay a new president faces in getting policies not only signed or ratified, but also implemented and put into action.

Table 14: Short-Term Economic Performance for Each President

| <i>President</i> | <i>Jimmy Carter</i> | <i>Ronald Reagan</i> | <i>George Bush</i> | <i>William Clinton</i> | <i>George W. Bush</i> | <i>Barack Obama</i> |
|---|---------------------|----------------------|--------------------|------------------------|-----------------------|---------------------|
| Change in GDP⁹³ | +36% (3) | +69% (1) | +15% (6) | +45% (2) | +32% (4) | +30% (5) |
| Change in GDP Per Capita⁹⁴ | +32% (3) | +58% (1) | +11% (6) | +34% (2) | +24% (4) | +24% (4) |
| Change in Real Median Personal Income⁹⁵ | -6% (6) | +19% (1) | -2% (5) | +16% (2) | -1% (4) | +8% (3) |
| Change in Household Wealth⁹⁶ | +42% (4) | +82% (1) | +18% (6) | +68% (2) | +35% (5) | +57% (3) |
| Change in Inflation⁹⁷ | -1% (3) | +21% (5) | -56% (1) | -41% (2) | +13% (4) | +40% (6) |
| Change in Unemployment Rate⁹⁸ | 25% (5) | -45% (2) | +14% (4) | -23% (3) | +60% (6) | -54% (1) |
| Change in Overall Trade⁹⁹ | +56% (3) | +87% (1) | +16% (6) | +58% (2) | +47% (4) | +26% (5) |
| Average Deficit to GDP Ratio During Term¹⁰⁰ | +2.3% (2) | +4.1% (4) | +4.1% (4) | +0.1% (1) | +3.3% (3) | +4.9% (6) |
| Total Scores & Final Ranks | 29 (3) | 16 (1) | 38 (6) | 16 (1) | 37 (4) | 33 (5) |

⁹³ "Table 1.1.5 Gross Domestic Product." Last Revised on April 29, 2021. Bureau of Economic Analysis. <https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=2&isuri=1&1921=survey>

⁹⁴ "Gross Domestic Product Per Capita." Updated April 29, 2021. FRED St. Louis Federal Reserve. <https://fred.stlouisfed.org/series/A939RC0Q052SBEA#0> (Note: Used annual averages to determine change over time).

⁹⁵ "Real Median Personal Income in the United States." Updated September 16, 2020. FRED St. Louis Federal Reserve. <https://fred.stlouisfed.org/series/MEPAINUSA672N> (Note: Data only available up to 2019).

⁹⁶ "Table S.3.a Households and Nonprofit Institutions Serving Households." Last Revised on April 5, 2021. Bureau of Economic Analysis. https://apps.bea.gov/iTable/iTable.cfm?reqid=14&step=3&isuri=1&table_list=6201

⁹⁷ "Consumer Price Index Database, All Urban Consumers." Select "Top Picks" then "U.S. cities average, all items." On the next page select "More Formatting Options." Set starting year to 1929 and select "12-Month Percent Change." US Bureau of Labor Statistics. <https://www.bls.gov/cpi/data.htm>

⁹⁸ "Labor Force Statistics from Current Population Survey." 2021. US Bureau of Labor Statistics. <https://data.bls.gov/pdq/SurveyOutputServlet>

⁹⁹ "Table 1.1.5 Gross Domestic Product." Last Revised on April 29, 2021. US Bureau of Economic Analysis. <https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=2&isuri=1&1921=survey> (Note: Add lines 16 and 19, exports and imports, for total trade levels).

¹⁰⁰ "Historical Tables," Download Table 1.1 - Summary of Receipts, Outlays, and Surpluses or Deficits: 1789-2021. Office of Management and Budget. <https://obamawhitehouse.archives.gov/omb/budget/Historicals>

Ranks for each category are included in parentheses within each column of Table 14, with the aggregate total of each president's ranking listed on the bottom row, alongside their overall ranking in parentheses. The final ranking for greatest overall record is:

1. President Ronald Reagan
2. President Bill Clinton
3. President Jimmy Carter
4. President Barack Obama
5. President George W. Bush
6. President George H.W. Bush

Despite the fact that the cumulative scores come from having the best record in each area of the national economy, rather than relying on the actual differences between any one set of economic standards, the results of the analysis match up closely to previous research. President Reagan's ranked as number one in a majority of the categories, however, he is tied with President Clinton for the top overall spot. In his broader list of Economic Grades and Presidential Rankings, Mark Zachary Taylor also had Reagan and Clinton neck-and-neck in their performance, with other presidents form this sample well behind. Indeed, the gap between Reagan and Clinton and the rest of the field in regards to cumulative scores is quite significant.

On the other end of the spectrum, President H.W. not only came in last in the cumulative scoring, but also has the most of the lowest scores per category of any administration. In the case of inflation, however, President H.W. Bush had the greatest success of any administration in lowering the rate during his term. President Obama, on the

other hand, suffers from the manner in which this study measures the economic performance indicators: by the level of change rather than the aggregate level of inflation itself during a president's time in office. In truth, President Obama's average level of inflation during his entire term was only 1.6%, much lower than the 18% level of inflation experienced by President Carter at the end of his term in office. However, the increase in inflation from when President Obama took office (1.5%) to when he left (2.1%) creates the higher level of change seen in the rankings above. This discrepancy in the data should not cause doubt in the findings, however, as presidents in this study, as well as in public opinion and any type of performance review, are being measured on how their policies and time in office *changed* the national economy, thus aligning with the units of measurement used here. Especially when regarding the long-term, the argument has been that the levels of economic well-being a president inherits from a previous administration greatly impact their own policies and performance. Therefore, the conditions with which each president is working under cannot be removed from the overall measure of their success, and thus the change in each economic indicator, rather than their aggregates, are a much better fit for judging performance in this context.

Of note, the Democratic-Republican gap (D-R gap) identified by Blinder and Watson exists within the measures of GDP (total Republican score is 11, compared to the Democrats better score of 10), the same data point they primarily used in their analysis. The gap is slightly more noticeable when using the cumulative score (Republicans total 11, while Democrats have a 9 score). Whether their analysis is confirmed or not in the long-term will be determined in the next section.

In short, the findings of overall economic performance for each president in the short-term aligns with previous research in this area. However, there is now a consistent

baseline by which to compare this level of performance to each president's long-term record. Most importantly, this baseline can be used to identify the changes, if any, that occur within each measure of economic well-being, as well as overall economic performance, from the short-term to the long-term.

The Long-Term

In his testing of the existence of the D-R gap found by Blinder and Watson, Tim Kane sought to tackle the lack of the theory's consideration for the long-term impacts of presidential economic policy. Kane cites a recent debate "among political scientists Bartels (2008), Campbell (2011, 2012), and Comiskey and Marsh (2012) on this topic," which "found agreement that the lag should be one year or longer based on the historical facts."

Comiskey and Marsh (2012) write: "We agree with Campbell and Bartels that presidents cannot normally be expected to influence the economy in their first year in office. For six of the 11 presidencies from 1949 to 2009, no major new fiscal policy initiatives were enacted in their first six months in office."¹⁰¹

Kane goes on to list three examples of presidential policies that justify the need to incorporate a lag, and judge presidential economic policies in the long-term, rather than the short-term. The first two, President Obama's stimulus and healthcare reform packages, had a net impact lag of two and four years, respectively. Some of the delay was caused by structural delays of certain activities written into the laws themselves (such as tax incentives), the lack of certain infrastructure projects being "shovel ready," or the Healthcare.gov website being

¹⁰¹ Kane, Timothy. 2017. "Presidents and the US Economy from 1949 to 2016." Economics Working Papers 17101, Hoover Institution, Stanford University.

ready to launch any sooner than it could be built out (over three years after the ACA was signed). The final case put forward by Kane were several policies implemented by President Carter:

Perhaps the most interesting case of a structural policy lag is the Carter presidency, notably the energy reforms and deregulations that, with a lag of years, are credited today with lowering the cost of oil during the 1980s, years after Carter had lost re-election. Carter's deregulation of the airlines and communications industry also led directly to long-term revolutions in transportation and personal computers and the productivity boom of the 1980s and 1990s.¹⁰²

Yet, Kane claims, Blinder and Watson's discovery of the D-R gap did not account for any such considerations, simply using the arbitrary lag of one month into each new president's term (as a point of transition between presidencies) to count towards the previous administration's record. Kane extends the lag to several quarters beyond that point, and even years, finding that "the D-R gap peaks with a one quarter lag. After that, the D-R gap declines quickly with each lag...[i]t even flips to the Republican favor at six lagged quarters."¹⁰³

Unfortunately, Kane limits his analysis to only studying GDP as a measure of economic growth, and does not broaden his lag system to a wider variety of economic health indicators necessary to better understand the full scope of presidential impact on the long-term economy. Indeed, Kane admits this, and says "future work on presidential performance is needed," as his work solely focused on the partisan theories arising in recent studies. His reasoning for additional work is the same as the one motivating this research:

¹⁰² Kane, Timothy. 2017. "Presidents and the US Economy from 1949 to 2016." Economics Working Papers 17101, Hoover Institution, Stanford University.

¹⁰³ Kane, Timothy. 2017. "Presidents and the US Economy from 1949 to 2016." Economics Working Papers 17101, Hoover Institution, Stanford University.

At an April 21, 1961 news conference, President Kennedy famously remarked that, “victory has one hundred fathers, but defeat is an orphan.” The same might be said of expansions and recessions. Who should get credit for the mid-1990s boom? Reagan laid the institutional foundation. Bush made the tough fiscal compromise. Clinton cut taxes and put NAFTA into effect. All deserve credit, it would seem. But who deserves blame for the double-digit inflation of the late 1970s? A case can be made to blame Carter, Ford, Nixon, and Johnson.¹⁰⁴

He finishes his work by saying “These examples show that the inconsistent relationship between partisanship and ideology is a challenge that blurs the important question of how policy affects the economy.”¹⁰⁵ Thus, this fills in this additional knowledge. As was done previously in the analysis of the short-term, each measure of economic well-being are measured in how it changed over time.

In this analysis, however, the starting point remains the first year of a president’s initial term, but the lag will last four years into the next president’s term. This long of a lag may cause some overlap with presidential policies of the new administration, but as noted above, many of those take a great deal of time to implement and then take effect, suggesting their influence on the economy would come outside a shorter lag. Furthermore, four years is the timeframe both President Obama and Gary C. Jacobson utilize when discussing the 2012 presidential election, each saying that even four years since President George W. Bush held the office, his policies were still negatively impacting the economy.¹⁰⁶

¹⁰⁴ Kane, Timothy. 2017. “Presidents and the US Economy from 1949 to 2016.” Economics Working Papers 17101, Hoover Institution, Stanford University.

¹⁰⁵ Kane, Timothy. 2017. “Presidents and the US Economy from 1949 to 2016.” Economics Working Papers 17101, Hoover Institution, Stanford University.

¹⁰⁶ Jacobson, Gary C. 2013. “How the Economy and Partisanship Shaped the 2012 [US] Presidential and Congressional Elections.” *Political Science Quarterly* 128 (1): 1-38.

Table 15: Short-Term Economic Performance for Each President

| <i>President</i> | <i>Jimmy Carter</i> | <i>Ronald Reagan</i> | <i>George Bush</i> | <i>William Clinton</i> | <i>George W. Bush</i> | <i>Barack Obama</i> |
|--|-------------------------|--------------------------|------------------------|----------------------------|---------------------------|-------------------------|
| Change in GDP¹ | +72% (2) | +95% (1) | +35% (6) | +68% (3) | +48% (4) | +40% (5) |
| Change in GDP Per Capita¹ | +62% (2) | +76% (1) | +26% (6) | +51% (3) | +36% (4) | +31% (5) |
| Change in Real Median Personal Income¹ | -1% (5) | +14% (3) | +5% (4) | +15% (2) | -5% (6) | +17% (1) |
| Change in Household Wealth¹ | +88% (4) | +109% (1) | +42% (6) | +112% (2) | +58% (5) | +96% (3) |
| Change in Inflation¹ | -57% (1) | -24% (4) | -45% (2) | +22% (6) | -29% (3) | -20% (5) |
| Change in Unemployment Rate¹ | -23% (5) | -23% (1) | -4% (4) | -10% (3) | +40% (6) | -16% (2) |
| Change in Overall Trade¹ | +77% (4) | +122% (1) | +55% (5) | +94% (3) | +104% (2) | +16% (6) |
| Total Scores & Final Ranks | 23 (3) | 12 (1) | 33 (6) | 22 (2) | 30 (5) | 27 (4) |

As before, ranks for each category are included in parentheses within each column of Table 15, with the aggregate total of each president's ranking listed on the bottom row, alongside their overall ranking in parentheses. The final rankings for greatest overall record on all of these economic measures can also be summarized as follows:

7. President Ronald Reagan
8. President Bill Clinton
9. President Jimmy Carter
10. President Barack Obama

11. President George W. Bush

12. President George H.W. Bush

Most interesting, it seems that, in general, the overall rankings did not change given the additional lag. While almost all presidents had a similar cumulative score to their final tally for the short-term, it is President Clinton whose performance fell the furthest, from scoring a 15 in the short term to a 22 in the long-term, a seven point drop that moved him out of first. Changes in the individual economic measures are also minimal, though the drastic change in inflation rates from the short-term (-41%) to the long-term (+22%) might explain some of the overall drop experienced by the Clinton administration. Indeed, one of the other major changes from the short-term to the long-term analysis was how much President Carter improved in lowering inflation levels. Carter's inflation levels went from only -1% in the short-term to -57% when the long-term is considered in the analysis, positioning his administration as the one to best handle inflation in the long-term.

The Democratic-Republican gap, meanwhile, again appears consistent the findings of Blinder and Watson. In this analysis, Democrats had a better overall score (9), than their Republican counterparts (12), despite President Reagan, a Republican, taking the first spot on the overall rankings. Considering that the gap was consistent in the analysis of the short-term, as well as when considering the long-term, it would seem that economic performance under Democrats and Republicans does lead to different results. Yet, the gap may be less significant than Blinder and Watson give it credit for, as many Democrats and Republicans score both high and low in a variety of the categories observed in this study, with both parties contributing to drops in unemployment and inflation (except President George W. Bush), as well as growth in GDP, GDP per capita, and median income and household

wealth growth (again, except for President W. Bush in regards to median income levels).

This conclusion is also in line with Tim Kane's findings, which found a slight advantage for Democrats over Republicans when taking a partial lag consisting of overlapping credit for each president per quarter. Kane reasoned that the reason for the lack of a D-R gap appearing under stricter scrutiny may be because of a simple reason: today's Democrats and Republicans are much different than those of the past:

Political writers often observe that a Republican (or Democrat) in the White House today would have been a Democrat (or Republican) three decades ago. Ronald Reagan advocated for greater levels of immigration and signed legislation that granted amnesty to millions of illegal immigrants in 1986, a policy anathema to conservatives in recent years. Richard Nixon enacted wage and price controls, and famously went to China, both decidedly non-conservative positions. Liberal JFK cut income tax rates at all levels, the first president to do so since before the Great Depression, and tax-cutting (especially for the rich) is decidedly out of step with modern progressive ideology. These examples show that the inconsistent relationship between partisanship and ideology is a challenge that blurs the important question of how policy affects the economy.¹⁰⁷

Therefore, judging the economic impact of presidents by party may not only be statistically irrelevant, but also not useful in determining what kinds of actions had a positive impact, and which kinds of actions had a negative one, on the national economy. This, rather than ranking presidents or parties on their economic performance, is why any member of the electorate, media, academy, or government should be interested in learning what kind of impact the president can have on the long-term economy: to find practices and policies that work, are sustainable, and have positive results in the long-term, and to concentrate on pursuing such policies moving forward.

¹⁰⁷ Kane, Timothy. 2017. "Presidents and the US Economy from 1949 to 2016." Economics Working Papers 17101, Hoover Institution, Stanford University.

Policies, Powers, and Performance

The analysis has led to the point of determining which presidents achieved their intended long-term economic goals, and how did they do so. Did the national economy perform according to their stated hopes in the long-term, or were there unexpected consequences to either their actions or the lack thereof? To answer these questions, and thus find out which presidential powers have shown the greatest success in creating positive economic change in the end, each administration must be examined individually.

President Jimmy Carter

For a presidency that is known for its struggles with the opinions of both Congress and the public, the Carter administration ranks third in the analysis of long-term economic success. As was seen in the previous chapter, President Carter suffered from the lowest average of public popularity for his term, and despite Democratic majorities in both the Senate and House of Representatives, the president continuously lacked support for many of his top legislative priorities. Thus, it is even more surprising how this economic success was achieved.

When looking at the rankings for the successful deployment of various powers to create long-term policies, Carter ranked next to last in every category, as shown again in the comprehensive Table 16 below. Yet, Carter ranks third in the overall long-term economic performance rankings, only behind the presidencies of Reagan and Clinton, who are also the top ranked administrations for effective use of long-term powers.

So how did Carter do it? As was discussed before, it was not through his unilateral actions. In his attempt to meet his goals of reducing government deficits and increase bureaucratic efficiency, Carter signed Executive Order 12044 in 1978, which directed agencies to review existing regulations and determine whether or not they should be retained, modified, or repealed—a process known as retrospective regulatory review.¹⁰⁸

Table 16: Long-Term Policy Use and Long-Term Economic Performance Rankings for Each President

| <i>President</i> | Hard Power Score | Hybrid Score | Soft Power Score | Total Powers Rankings | Total Long- term Economic Performance Rankings |
|-------------------------|---------------------------------|-------------------------|---------------------------------|--------------------------------------|---|
| <i>Jimmy Carter</i> | 5 | 5 | 5 | 15 (5) | 3 |
| | | | | | |
| <i>Ronald Reagan</i> | 1 | 3 | 1 | 5 (1) | 1 |
| | | | | | |
| <i>George Bush</i> | 3 | 4 | 2 | 9 (3) | 6 |
| | | | | | |
| <i>William Clinton</i> | 2 | 2 | 2 | 6 (2) | 2 |
| | | | | | |
| <i>George W. Bush</i> | 5 | 1 | 4 | 10 (4) | 5 |
| | | | | | |
| <i>Barack Obama</i> | 4 | 6 | 6 | 16 (6) | 4 |
| | | | | | |

Yet this EO, like so many others of Carter’s, was immediately overridden by President Reagan’s own. One month into his own presidency, Reagan signed Executive Order 12291, which, according to a report by the Congressional Research Service, “implemented a scheme

¹⁰⁸ Peters, Gerhard, and John T. Woolley. 1978. “Jimmy Carter, Executive Order 12044—Improving Government Regulations Online.” The American Presidency Project. <https://www.presidency.ucsb.edu/node/244548>

that arguably asserted much more extensive control over the rulemaking process.”¹⁰⁹ Thus, Carter’s EO did not have any longevity itself. Additionally, its lack of requiring a cost-benefit analysis as part of its reporting limited its impact in actually curbing inefficient behaviors by federal agencies, such as considering alternative regulatory options, and thus had a minimal impact on Carter’s ability to curb any long-term economic inefficiencies of the federal government. Likewise, as was discussed previously, Carter’s attempt to prevent the repeal of his oil import fee resulted in a veto override by the Democratically controlled Congress, a loss *The Washington Post* described as “his most humiliating defeat so far on Capitol Hill.”¹¹⁰ Thus, it was not the use of hard, unilateral powers that allowed Carter’s policies to both survive into later administrations and have long-term economic consequences.

In truth, it is Carter’s success partnering with Congress to pass sweeping legislation that has had the largest impact on the former president’s legacy. While his second energy package failed because of Congress’s veto override, Carter had previously succeeded in passing his first energy package, a set of laws passed by Congress that included the establishment of the Department of Energy, the Emergency Natural Gas Act (which would authorize the national government to allocate interstate natural gas), and the Energy Security Act. According to the University of Virginia’s Miller Center, while the OPEC oil cartel and Iranian crisis led to skyrocketing prices as the pump (and the infamous lines for people to fill their tanks with gas) during his term, the legislative victories had long-term impacts on both the energy sector and economy overall:

¹⁰⁹ Chu, Vivian S., and Todd Garvey. April 16, 2014. “Executive Orders: Issuance, Modification, and Revocation.” Congressional Research Service. <https://fas.org/sgp/crs/misc/RS20846.pdf>

¹¹⁰ Dewar, Helen. “Senate Joins House in Overriding Veto, Kills Oil Import Fee.” *The Washington Post*, June 7, 1980. <https://www.washingtonpost.com/archive/politics/1980/06/07/senate-joins-house-in-overriding-veto-kills-oil-import-fee/7f6d9ca5-bf93-43f6-a27a-8bd8dbe97f51/>

The deregulation of oil and natural gas prices that resulted would lead to a vast increase in the supply of energy in the 1980s, and consequently a lowering of prices...

Consumption of foreign oil did go down, from 48 percent when Carter took office to 40 percent in 1980 [short-term impact], with a reduction of 1.8 million barrels a day. When Carter left office there were high inventories of oil and a surplus of natural gas, delivered by a more rational distribution system. There was greater oil exploration than before, leading eventually to an oil glut and a drop in prices-which Carter's Department of Energy had not predicted. Between 1980 and 1985, domestic production would increase by almost 1 million barrels a day, while imports of crude oil and petroleum products declined from 8.2 to 4.5 million barrels a day [long-term impact].¹¹¹

Likewise, as noted before, President Carter's appointment of Paul Volcker as the Federal Reserve Chairman had a similar impact on national inflation levels. Like energy prices, however, inflation rates during the Carter administration were astronomically high, and the president ranks in the middle of our sample in terms of change in inflation during each presidency (and by far the highest average of inflation in real terms of any president within the sample). Yet, when taken in the long-term, like his energy policies, the changes the Carter administration put into place had a noticeable and positive impact on the economy, reducing, rather than growing, inflation over the longer timeframe, and thus rising in the presidential rankings to the top spot.

Thus, it is clear that when taken in the long-term, the full economic impact of President Carter's policies can be seen as even more positive than when looking at the short-term alone. However, that is not to say that the political struggles the Carter administration faced did not have any consequences at all. As was discussed, when faced with an uncooperative Congress and falling public support, Carter's attempts to act unilaterally through EOs and vetoes failed to both create longevity in either the policies themselves or

¹¹¹ Strong, Robert A. 2021. "Jimmy Carter: Domestic Affairs." University of Virginia's Miller Center. <https://millercenter.org/president/carter/domestic-affairs>

their economic impacts. This suggests again that hard powers alone are not the best route for establishing long-term change, and that at least some soft-power skills are required by presidents wishing to accomplish their long-term economic goals. In Carter's case, his inability to continue his early legislative successes, and passing even more laws that could have had a positive long-term impact on the economy (such as his second energy package), may be the reason why he is not at the top of the rankings, or one of the presidents in the sample who was successfully elected to a second term.

President Ronald Reagan

President Reagan's original list of economic goals was much shorter than President Carter's, but both in the short- and long-term, Reagan was able to achieve many of these goals through a balanced flood of all the powers a president has at his disposal, rather than relying on one single tactic. In truth, the analysis shows that not only does the Reagan administration rank at the top of both the short-term and long-term rankings for economic performance described above, but also in the overall deployment of the various powers afforded to the Commander in Chief, ranking first in both hard and soft power usage and longevity. This correlation is the greatest amount of evidence found in this study that a balanced approach of the powers afforded to the president, consistently deployed throughout one's term, is the best path a president can take in creating lasting economic change.

A deeper dive into the analysis helps clarify this conclusion. President Reagan not only sits at first in the overall rankings of the types of powers used by each president, but is also the leader in the overall number of executive orders issued, the number of vetoes signed by a president, the number of judicial appointments, and the number of laws successfully

passed during his term. The sheer vastness of each of these policy areas, each falling into a different category of hard, hybrid, and soft-powers at the president's disposal, likely helped launch Reagan to the top of the rankings in each area, as well as his overall impact on the economy.

Yet, though President Reagan is remembered fondly by the public today, especially among Republicans, the Gipper did not have the highest average rate of popularity while in office, coming in at only third in the sample of presidents. While a talented speaker, this suggests that Reagan's policies were not simply the result of his stirring rhetoric or use of the infamous bully pulpit. As noted earlier, the former governor could also have easily fallen into the same trap as Presidents Carter and Clinton by attempting to be an outsider, bringing in a staff from outside of Washington, and thus trying to change the political landscape through new methods and people rather than from within the system. However, Reagan was not new to national politics when he stepped into the Oval Office, having already testified before Congress during the HUAC Hollywood hearings, chairing the Republican Governors Association, and having run for a president four years before he entered office. While not the same as having served in Congress, Reagan had experience working with politicians across the country, and was willing to build on those relationships in order to achieve his goals. While Carter and Clinton, as was described earlier, struggled to navigate the federal legislative process due to their devotion to their "outsider" and "new kid" images, President Reagan built the coalitions necessary, both in Congress as well as the public at large, to support his policies, both unilateral and collaborative.

Reagan did not waste time in deploying his coalition or powers to achieve his stated economic goals, either. As noted earlier, a month into his presidency, President Reagan had signed EO 12291, revoking Carter's earlier policy and requiring agencies to perform a cost-

benefit analysis on their programs. While like Carter, this EO was eventually modified and finally revoked by future presidents of the opposing political party (providing further proof that EOs are not the most long-lasting of presidential tools), the rule lasted into his immediate successor's term, and thus counts towards the long-term in this study. As reported by the Congressional Research Service:

In practical effect, the impact of the Reagan orders on agency regulatory activities was immediate and substantial. Under the order, OIRA reviewed over 2,000 regulations per year and returned multiple rules for agency reconsideration. The practical effect of this rigorous review process was to sensitize agencies to the regulatory agenda of the Reagan Administration, largely resulting in the enactment of regulations that reflected the goals of the Administration.¹¹²

Similarly, Reagan not only achieved his goal of regulatory reform in his first year in office, but also his reduction of the tax burden, with the passage of the Economic Recovery Act of 1981 (the Kemp-Roth Tax Cut) massively decreasing the federal income, estate, capital gains, and corporate taxes. Dr. Murray Weidenbaum, Chairman of the Council of Economic Advisers to President Reagan, explained these actions:

We issued in February 1981 a detailed plan of action (Reaganomics). The main tools were tax cuts, spending cuts, and regulatory reform. Aside from regulatory reform, most of the plan required congressional approval...[so] the major "tools" were presidential speechmaking and working with Congress.

Every change was objected to by one interest group or another. Key administration officials testified before congressional committees and worked with members and their staffs.

[In the end], on balance, there was a general belief that President Reagan had made a big and lasting difference. Inflation was the public's #1 concern when he took office. It has not been a serious problem since. His successful

¹¹²Legislative Attorney. April 5, 2005. "Presidential Review of Agency Rulemaking." Congressional Research Service.
https://www.everycrsreport.com/files/20050405_RL32855_aea4443451f90263db284510507bc46d8f32eda7.pdf

effort at across-the-board tax cuts has been followed since. The budget deficits were not planned, but they have been greatly exceeded since.¹¹³

Though there have been many conversations surrounding the overall impact of “Reaganomics,” the analysis shows that the president’s strategy, to not solely rely on unilateral action, but deploy EOs and vetoes alongside efforts to gain public support and allies in Congress, proved successful. In both the short-term and the long-term measurements, Reagan ranks number one in the analysis, and achieved almost all of his stated policy goals.

However, there is one data point that might explain at least some of President Reagan’s long-term economic success, which greatly increased GDP, household wealth, and trade over the short-term gains. Unlike every other president in this study’s sample, Reagan is the only one who was succeeded by a member of not only his own party, but of his own administration. Thus, most of the policies he enacted, though some would later be overturned by Presidents Clinton and Obama, lasted for another four years past his own time in office. No other president since has had such a luxury, and credit should again be given to President Reagan for his own efforts in ensuring this scenario. Unlike many presidents, Reagan left office with an increase in his public opinion rating, approval reaching 68% by the end of his second term, ten points higher than his yearly average. This popularity likely contributed to the electoral win of his vice president, who would carry on many of Reagan’s policies and priorities, thus again showing that the coalition building and use of the presidential podium is one of the most effective tools a president can wield while in office.

¹¹³ Weidenbaum, Murray. Interview #5, Appendix, 2013.

President George H.W. Bush

Unfortunately for President George H.W. Bush, it is hard to sustain such coalitions and public popularity for even two presidential terms, let alone another four to eight years. Bush's inability to hold the coalition together, and losing the public's trust in him when he went back on his promise of "no new taxes" likely led to his relatively lackluster economic performance. Though like his predecessor, President H.W. Bush benefited greatly from a long-term consideration of his policies vs. his short-term accomplishments, he still ranks at or near the bottom in several categories, and does not achieve the highest rankings in any category in the long-term consideration. Yet what makes this surprising is how high H.W. Bush performed in the analysis of his deployment of presidential powers to create long-term policies, in which he ranks third, behind only Presidents Reagan and Clinton. How could H.W. Bush be so successful in creating long-term policies, but not have as much of a positive impact on the national economy?

What must be first understood is that though H.W. Bush ranks at a lower level than other presidents in the sample, the economic analysis actually indicates he accomplished many of the policy goals he had listed in his set of priorities, even if the overall impact of these policies was much smaller when compared to his counterparts. For instance, H.W. Bush did indeed experience lower levels of inflation and higher levels of trade during his time in office, as well as for the years afterward that constitute the long-term. And though he increased taxes in direct contradiction with both his goals and his campaign promises, signing the legislation led to a decrease in the federal budget deficit, which, as noted earlier, increased long-term saving, investment, and innovation within the national economy.

When critiquing the economic effectiveness of the H.W. Bush administration, it is not that the president didn't complete his goals, but rather how his accomplishments

compare to his potential success. There is no greater example of this potential than the passage of the North American Free Trade Act (NAFTA). Though recent analysis has stirred debate on whether the benefits of the trade agreement outweigh the costs, experts across the political spectrum agree that the treaty had a significant impact on the U.S. economy. Yet, despite having spent the time, political capital, and energy to negotiate NAFTA and get it signed, President H.W. Bush did not get to see its impact in either the short-, nor long-term, because he was not the president who actually ratified the treaty. Instead, President Clinton was the one who had it passed by the Senate (with additional amendments reflecting his own policy priorities) and put into effect. Likely the struggles of the H.W. Bush administration in holding together a coalition with both Congress and the general public is partly to blame for the slow negotiation process, and ultimate hesitation the Senate had in considering the treaty even after H.W. Bush signed it. Instead, Congressional Democrats waited for a president from their party to take office so that they could add in protections for labor unions and other constituents, and thus also give the positive economic impacts of the treaty to a member of their own party. Had H.W. Bush been able to not only use his hard power of negotiation, but also his soft power of working with the opposition, he may have seen his economic measures rise significantly to match his policy efforts. Instead, his successor benefited greatly from President H.W. Bush's inability to pass the treaty.

President Bill Clinton

In both the deployment of powers and their impact on both the short- and long-term national economy, President Bill Clinton only trails President Reagan in his rate of success, and the two administrations stand high above the other presidents in this sample.

Clinton did not score the highest in any individual category of the various presidential powers, but his efforts across the board allowed him to obtain several of the high rankings in creating economic change. Even more amazing, the “Comeback Kid” accomplished all of this while also experiencing huge political losses in the forms of failed healthcare legislation, an opposition-controlled Congress, and an impeachment trial.

Like Reagan, some of Clinton’s success comes from the sheer volume of the various powers his administration deployed while in control of the White House. Again, though he did not rank first in any one category of power usage, he did have significantly more EOs than any presidency besides Reagan, one of the highest success of vetoes not being overridden, and the second highest number of trade treaties signed, all of which are much higher than the next president on each list. Clinton had originally attempted to follow a traditional path of passing sweeping legislation early in his term by using the political momentum he accumulated during the election. However, like Carter before him, Clinton’s team was mostly made up of Washington-outsiders, and the early stumbles of his presidency are often attributed to his staff’s lack of experience or inability to navigate the D.C. backrooms of policymaking. Having not won a majority of the votes in the national election that put him in the White House, Clinton’s already shaky public support also dropped astronomically in the first weeks of his initial term. These circumstances are likely part of the reason the president failed to utilize his bully pulpit successfully in pushing forward the healthcare reform package he had made a major part of legislative agenda, and eventually led to the flipping of the House of Representatives to Republican control for the first time in forty years.

So how was President Bill Clinton so successful in creating long-term economic change, and leave office with the highest approval rating of any president since 1945? Along

with the sheer volume and diversity of the powers his administration utilized throughout their time in the White House, Clinton should also be given credit for using his various powers in some of the most thoughtful and creative manners of any presidency analyzed in this sample. For example, Clinton may have used the veto power more effectively than any other president when he vetoed the Republican-sponsored federal budget and spending bill that led to the governmental shutdown of 1995-1996. Following public opinion that Republicans were responsible for the furlough of hundreds of thousands of federal workers, as well as the freezing of many governmental services, congressional leaders eventually accepted Clinton's budget proposal. Many agree that this political victory not only gave Clinton a win on some of his key issue areas, but also led to his reelection in the fall of 1996. In fact, Clinton's ability to accomplish another one of his original policy goals, deficit reduction, was one of the greatest political and economic victories of his administration. The Clinton administration was by far most successful at reducing the deficit, for several years even creating a surplus. Though this proved to be unsustainable for future presidents, the long-term increases in private saving and investment associated with federal deficit reduction likely contributed to the sustained economic growth in the many years following Clinton's administration, even helping the economy to bounce back following some of the worst recessions the country has faced since the Great Depression.

Another possible explanation for Clinton's outstanding long-term impact and his ability to accomplish the economic goals identified in the first chapter may simply be a matter of timing. As was discussed previously, Stephen Skowronek's political timing theory holds a great deal of weight in explaining which presidents were most successful in pushing

their agendas forward during their time in office.¹¹⁴ That is certainly the case for Clinton's signing of the North American Free Trade Agreement (NAFTA), which had been negotiated and signed by the previous administration of President George H.W. Bush, but not ratified and put into law until Clinton came to the White House. The treaty, along with large number of other trade and investment agreements the Clinton administration passed into law during his time in office (72, the second highest in the sample), are likely the direct contributors to the high levels of trade experienced by the Clinton team in both the short-term and long-term analysis. Additionally, these efforts did not seem to have the negative impacts on unemployment or wage levels that those opposed to NAFTA and other trade agreements predicted would be the case, as evidenced by the high levels of both of these economic measures during the short- and long-term analysis under Clinton. Indeed, scholars Mary E. Burfisher, Sherman Robinson, and Karen Thierfelder found in their study, "The Impact of NAFTA on the United States," that "both the U.S. and Mexico benefit from NAFTA, with much larger relative benefits for Mexico. NAFTA also has had little effect on the U.S. labor market."¹¹⁵

President George W. Bush

As noted, the years following the Clinton administration were some of the hardest for the national economy since the Great Depression, and it shows in the rankings of overall economic success in the long-term. Coupled with that reality, however, was a growing partisan divide in the national political arena that has persisted into the present. The

¹¹⁴ Skowronek, Stephen. 1997. *The Politics Presidents Make: Leadership from John Adams to Bill Clinton, Revised Edition*. Belknap Press. 119.

¹¹⁵ Burfisher, Mary, E., Sherman Robinson, and Karen Thierfelder. 2001. "The Impact of NAFTA on the United States." *Journal of Economic Perspectives*, 15 (1): 125-144

administrations of both President George W. Bush and Barack Obama fell prey to these difficult times in both the economic and political cycles, and yet, were able to still accomplish several of their stated goals and impact the long-term national economy in various ways.

President George W. Bush ranks in the lower half the sample in terms of both short-term and long-term economic impact. This is reflective of his standing as fourth in overall effective use of the various presidential powers. Unlike Presidents Carter and Clinton, W. Bush came into office with a large amount of experience on his staff and cabinet, whose members consisted of a number of former Republican bureaucrats from his father's and President Reagan's administrations. It was likely because of this experience that W. Bush had as much success as he did, given that he also faced the tragedy and fallout of the September 11th terrorist attacks in his first year in the White House. Continuing Clinton's aggressive trade policy, W. Bush ranks number one in the analysis for the total number of trade and investment treaties signed. Though the total change in trade during the long-term is only ranked at number four in the sample, W. Bush's overall increase in trade is still far greater than that of his successor.

Mr. Allan Hubbard, Director of the National Economic Council to President Bush, noted there were several successes and failures of the W. Bush administration in reaching the economic policy goals, including "[t]he tax cuts of 2001 & 2003, Medicare D, several trade acts, and energy policies, all of which we were successful in enacting. We also attempted social security reform, immigration reform, and healthcare reform, all of which were not."¹¹⁶ Indeed, the reform of Medicare was an accomplishment of one of W. Bush's primary economic goals from the start of his term and was accomplished, according to Hubbard,

¹¹⁶ Hubbard, Allan. Interview #3, Appendix, 2013.

through “[l]egislative lobbying mostly. Medicare was very successful using this method to pass and then implement, while HHS Secretary Levitz helped by doing an education campaign on the road to gain public support for it as well.”¹¹⁷ Deploying Levitz was indeed a smart tactic by W. Bush, as many in the media and public have claimed the president himself lacks the level of skill in speaking and rhetoric found in some of the other presidents in this study’s sample. Allowing Levitz to stand in for his bully pulpit ensured that the president was not conceding this powerful tool even though his detractors did not think he was capable of wielding it himself.

Finally, W. Bush was able to achieve one of his other main policy goals through legislative action as well: by passing the “Bush Tax Cuts,” the largest tax reductions since the Reagan administration. According to Hubbard, the tax cuts and all of the other policy successes of the W. Bush administration were successful in securing their longevity and positive impact on the national economy:

Were able to establish lower tax rates that allowed for more money in the private sector and President Obama could not undo it, trade deals increased free trade, and Medicare Part D gave seniors better access to needed drugs and proved that a free-market system works with 30% less than projected costs for the changes.¹¹⁸

Yet, despite these successes, the overall impact of the W. Bush administration is dampened by the many policy goals they did not reach. Dr. Harvey S. Rosen, Chairman of the Council of Economic Advisers to President W. Bush, notes what every single advisor interviewed for this study said was the greatest missed opportunity by the W. Bush team:

During my tenure on the CEA, the policy that would have had the greatest long-term impact on the national economy was the reform of the Social Security

¹¹⁷ Hubbard, Allan. Interview #3, Appendix, 2013.

¹¹⁸ Hubbard, Allan. Interview #3, Appendix, 2013.

system. Social Security is actuarially unsound, and the purpose of the proposal was to put it on a firm long-term financial basis.¹¹⁹

Rosen notes that the reason for the failure of Social Security reform where Medicare had succeeded lies in the growing environment of political partisanship that had begun during the Clinton impeachment process, and gained momentum following the growing frustration and fatigue of the wars in Afghanistan and Iraq. “During the Bush administration, like now, the political atmosphere in Washington was poisonous,” Rosen says, “and **Democrats, as well as their political allies, were not willing to do anything that would give the president a victory.**”¹²⁰ However, Hubbard notes that it was not always Democrats who were to blame for the lack of progress on several of W. Bush’s key policy focuses:

Challenges from 2005 to 2006 often resulted from Democratically controlled Congress who blocked privatizing Social Security. Ironically, it was Republicans who blocked immigration reform, and both parties were reluctant to tackle healthcare reform, leaving no traction for the administration who had only a few supporters in the Senate (Republicans were not ready for such a political issue and Democrats were not helpful).¹²¹

Indeed, just as his father had struggled to maintain political support for his initiatives in the long-term, W. Bush could not hold together the coalitions necessary to complete all of his policy goals, including the Republicans and special interests that had, and would again, propel him to win the presidential election.

Part of the blame may lie in the type of change W. Bush was hoping to achieve. While Medicare reform and tax cuts had both short- and long-term effects that could be immediately felt by the public, Social Security reform was not as clear-

¹¹⁹ Rosen, Harvey. Interview #2, Appendix, 2013.

¹²⁰ Rosen, Harvey. Interview #2, Appendix, 2013.

¹²¹ Hubbard, Allan. Interview #3, Appendix, 2013.

cut. Rosen notes that the W. Bush administration sought the policy change because “the program was not on a viable long-term financial path.”¹²² The only problem was politicians were still operating in the short-term calculus, where “members of Congress are not inclined to make any difficult political decisions unless they are confronted with an immediate crisis.” Ironically, W. Bush’s policies (or failure to pass certain legislation) is the catalyst for this investigation into what the long-term economic impact of presidents is on the national economy, and it is partly because Congressional members were not considering the long-term that W. Bush was unable to create policies that may have helped the national economy in those terms.

However, even with these disappointments, there is a bright side. Besides the changes in unemployment and median income levels (which are not small and shouldn’t be discounted), the overall impact of President W. Bush’s policies had a positive impact on the national economy in the long-term analysis. From a policy standpoint as well, failures to pass Social Security reform were not a total loss. According to Keith Hennessey, Director of the National Economic Council to President Bush:

Some of our goals were enacted into law and will likely remain in place for a long time. Others were successful at the time but have been modified or repealed since President Bush left office. Still others, like Social Security reform, were not enacted or even considered legislatively when they were proposed by President Bush, but that doesn't mean they were unsuccessful. I am confident they will serve as models for future legislation, so we were laying the groundwork for a future debate.¹²³

In other words, Hennessey points out that the long-term impacts of any presidential action, whether successful in the moment or not, are capable of influencing future administrations,

¹²² Rosen, Harvey. Interview #2, Appendix, 2013.

¹²³ Hennessey, Keith. Interview #4, Appendix, 2013.

and thus having a lasting impact on the national economy beyond that of the president who originally proposed them.

President Barack Obama

It was President Obama's claims during the 2012 presidential race that the longevity of his predecessor's policies that excused the slow progress made in improving the economy during his first term in office. Unfortunately, when taken into account, President Obama only fairs slightly better than President George W. Bush in leaving a robust economy for his successor. And as noted before, by measuring the change in each economic area, rather than aggregate totals, each president is judged on the merits of how they impacted the economy no matter what the previous administration may have done to negatively impact it beforehand. This begs the question: how did President Obama, who arguably passed some of the most groundbreaking pieces of legislation in the modern era, not have a better economic performance?

First, it is important to recognize that President Obama did indeed enter office during the worst economic downturn since the Great Depression. And despite his poor ranking in this analysis, the fact that his administration not only passed significant legislation, but also created positive change in several economic well-being indicators (notably change in median personal income and household wealth) under such circumstances should be commended. As Dr. Austan Goolsbee, Chairman of the Council of Economic Advisers to President Obama, put it:

Many goals were reached and the most important—that we not have another great depression—will be remembered by historians forever as a very substantial accomplishment. The financial and economic hit to the economy was larger than

the one in 1929 so it could easily have been just as bad or worse as the experience of the 1930s had the financial system collapsed.¹²⁴

Indeed, when looking at the economic policy goals Obama outlined in his initial Economic Report of the President, the administration successfully accomplished several of their goals, even if the long-term economic indicators suggest their impact was not as positive as the Obama team had hoped they would be. In addition to the passage of the Affordable Care Act to reform healthcare, the president also successfully passed the American Recovery and Reinvestment Act of 2009 to help stimulate the economy following the housing bubble and global financial collapse. In terms of financial reform, Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which went into effect in 2010. In addition to overhauling the U.S. financial regulatory system, the legislation also broadened the president's appointment power in its creation of the Consumer Financial Protection Bureau. Federal Reserve Chairwoman Janet Yellen stated that "[t]he balance of research suggests that the core reforms we have put in place [through the Dodd-Frank Act] have substantially boosted resilience without unduly limiting credit availability or economic growth."¹²⁵ Finally, though partisanship had stalled any victories on Capitol Hill, President Obama deployed his unilateral powers by spearheading the Paris Climate Agreements, achieving his goal of environmental protection.

Yet, similar to President George W. Bush before him, President Obama's early victories quickly gave way to partisan division that completely stalled further legislative action during his time in office. Despite the passage of the stimulus bill, President Obama was unable to push through the 2011 American Jobs Plan (resulting in the second lowest

¹²⁴ Goolsbee, Austan. Interview #1, Appendix, 2013.

¹²⁵ Yellen, Janet L. August 25, 2017. "Financial Stability a Decade After the Onset of the Crisis." Federal Reserve. <https://www.federalreserve.gov/newsevents/speech/yellen20170825a.htm>

unemployment scores in the analysis), and constant showdowns with the Republican-controlled Congress led to multiple budget stalemates and government shutdowns, dashing Obama's goal of deficit reduction, which grew to an average of 4.9% to GDP ratio, the highest of the sample. According to Goolsbee:

Main roadblocks were two: 1) internally, economists often had disagreements over the nature and progress of the economy—like in 2010 trying to decide if the economy was sufficiently recovered that it made sense to start cutting the deficit in the short-run or not or whether to save the auto industry with a bailout in 2009, 2) externally, the rise of **Republican opposition in Congress seemingly intent on opposing anything the president supported**. It's pretty hard to do policy and legislative policy or even nominate people for jobs in that environment.¹²⁶

Notice the similarities in Goolsbee's assertion that Republicans were not willing to support President Obama on anything with Harvey Rosen commented that “**Democrats, as well as their political allies, were not willing to do anything that would give the president a victory.**”¹²⁷ Both administrations fared similarly in losing their ability to pass legislation following the midterm elections during their first terms in office, which saw the opposing party gain control of the legislature. Perhaps passing such controversial legislation at the beginning of one's term, when presidents believe they have the most political capital to do so, is not the wisest decision, as it may jeopardize one's ability to continue passing legislation throughout the rest of their term, causing them to rely on less effective, and more unilateral powers.

Indeed, President Obama took this route, and his failures in these areas likely contributed to his low ranking in the economic analysis. Because the Paris Climate

¹²⁶ Goolsbee, Austan. Interview #1, Appendix, 2013.

¹²⁷ Rosen, Harvey. Interview #2, Appendix, 2013.

agreements were not a Senate-approved treaty, Obama's successor, Republican President Donald Trump, was able to exit the agreement without seeking any Congressional input. Likewise, Obama's ability to nominate various judicial and administrative positions (including with the newly created Consumer Financial Protection Bureau) faced unprecedented hurdles put in place by Republicans unwilling to approve any of the president's candidates, resulting the lowest numbers of approved judicial and long-serving appointees of any two-term president in this analysis. Thus, the inability to build coalitions not only impacted President Obama's soft-powers, but even his hybrid and hard powers as well, likely contributing to his low ranking in the deployment of powers as well.

The consequences of this divide cannot be understated. As Goolsbee concludes:

...[I]'s clear that the recovery has been slow and extended and the job market remains deeply scarred with a long way to go before it could be considered a complete success.¹²⁸

If taking the approach used in analyzing President George H.W. Bush's economic success, looking at his actual accomplishments compared to his potential for accomplishing even more, it is clear that despite the successes of the Obama administration, the relatively poor economic performance suggests that different tactics may have been advisable in order to achieve even greater positive impacts. Increasing partisanship and political division, particularly present in the most recent administrations, has a demonstrable negative impact on presidents' abilities to enact long-lasting policies, as well as have a positive impact on the long-term economy. If presidents are to return to even higher levels of economic performance, and avoid further falls into decline, it is likely necessary that a president must increase their soft skills and work to collaborate with both allies and foes alike.

¹²⁸ Goolsbee, Austan. Interview #1, Appendix, 2013.

Closing Comments

By taking into account the long-term impact of presidential policies on multiple economic measures of well-being, it is clear that presidents do indeed have an impact on the national economy for years beyond their own time in office. While the overall effectiveness of each administration over the long-term is seemingly identical to their overall performance in the short-term, marginal changes in the rankings of each president within the various categories of economic change, as well as the movement of President Clinton's score from the short- to the long-term, provide evidence to the fact that long-term analysis is important in understanding the full scope of a president's impact and success. Furthermore, when looking at the economic measures in this study over the entire time period (1976 – 2020) without separating for each presidential administration, this study finds that there has been an overall positive trajectory for the U.S. economy in the long-run (save for the small increase in inflation and the large increase in the federal budget deficit):

Table 17: Long-Term Economic Change Across All Presidents

Economic Measure

| | |
|--|---------|
| Change in GDP¹²⁹ | +1,108% |
| Change in GDP Per Capita¹³⁰ | +638% |
| Change in Real Median Personal Income¹³¹ | +21% |
| Change in Household Wealth¹³² | +1,896% |
| Change in Inflation¹³³ | -76% |
| Change in Unemployment Rate¹³⁴ | +5% |
| Change in Overall Trade¹³⁵ | +1,527% |
| Average Deficit to GDP Ratio¹³⁶ | +55% |

What this analysis finds when the long-term economic performance by each president in this study's sample is broken down, there is a consistent pattern for why certain administrations are successful in not only having a positive impact on the national economy,

¹²⁹ "Table 1.1.5 Gross Domestic Product." Last Revised on April 29, 2021. Bureau of Economic Analysis. <https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=2&isuri=1&1921=survey>

¹³⁰ "Gross Domestic Product Per Capita." Updated April 29, 2021. FRED St. Louis Federal Reserve. <https://fred.stlouisfed.org/series/A939RC0Q052SBEA#0> (Note: Used annual averages to determine change over time).

¹³¹ "Real Median Personal Income in the United States." Updated September 16, 2020. FRED St. Louis Federal Reserve. <https://fred.stlouisfed.org/series/MEPAINUSA672N> (Note: Data only available up to 2019).

¹³² "Table S.3.a Households and Nonprofit Institutions Serving Households.: Last Revised on April 5, 2021. Bureau of Economic Analysis.

https://apps.bea.gov/iTable/iTable.cfm?reqid=14&step=3&isuri=1&table_list=6201

¹³³ "Consumer Price Index Database, All Urban Consumers." Select "Top Picks" then "U.S. cities average, all items." On the next page select "More Formatting Options." Set starting year to 1929 and select "12-Month Percent Change." US Bureau of Labor Statistics. <https://www.bls.gov/cpi/data.htm>

¹³⁴ "Labor Force Statistics from Current Population Survey." 2021. US Bureau of Labor Statistics. <https://data.bls.gov/pdq/SurveyOutputServlet>

¹³⁵ "Table 1.1.5 Gross Domestic Product." Last Revised on April 29, 2021. US Bureau of Economic Analysis. <https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=2&isuri=1&1921=survey> (Note: Add lines 16 and 19, exports and imports, for total trade levels).

¹³⁶ "Historical Tables," Download Table 1.1 - Summary of Receipts, Outlays, and Surpluses or Deficits: 1789-2021. Office of Management and Budget. <https://obamawhitehouse.archives.gov/omb/budget/Historicals>

but a substantially large one. The administrations of Presidents Reagan and Clinton had the best performances by any of the ones studied by far. Upon further analysis, there is evidence to believe that this success came from these presidents' efforts in pushing their policies forward through a substantially large number of proposals, all of which come from a variety of powers offered to the Office of the President. These presidents were also not only able to create a coalition necessary for upholding and passing these policies, but also in either sustaining this coalition across a majority of their term, or constantly rebuilding new collaborations through the unique deployment of their various powers (Reagan's breaking of the air traffic controller strike, Clinton's veto of the 1995-1996 budget and handling of the subsequent governmental shutdown) so that they left office more popular and powerful than any other president of the modern era. President Reagan also benefited from the fact that this coalition and popularity building resulted in the election of his own vice president as his successor, effectively cementing many of his top policy achievements into the long-term fabric of U.S. policy, and thus, economic impact.

On the other side, the performances of the other presidents show that while not following these examples won't necessarily result in achieving some of one's policy goals and creating positive economic change in the long-term, it will likely result in failing to achieve all of one's goals, and thus limiting that economic success to much lower standards than those presidents who performed the best. In particular, President Jimmy Carter's failures in relying on Executive Orders that were mostly overturned by future presidents, and having a key veto overridden by Congress, show that a president's hard powers are not the most effective means of creating policy that will be long-lasting, and therefore have a long-lasting impact. This is especially clear when it is shown that Carter's legislative accomplishments using his

soft powers had an astronomical impact on both long-term policy and economic performance.

Similarly, President George H.W. Bush's failure to sustain his predecessor's political coalition, and poor use of political rhetoric by going back on campaign promises, ended any chance for his administration to be reelected or have as large of an impact as he had hoped. Finally, the George W. Bush and Barack Obama presidencies showcase the dangers of growing partisanship on both policymaking and economic well-being, as each of these presidents were unable to sustain early legislative victories. In the case of President Obama in particular, the lack of a political alliances led to not only a struggle in deploying soft-powers, but even hybrid and hard powers.

What can these findings tell us about the actions of current and future presidents? Will rising political polarization continue to drive wedges between the Executive Branch and other parts of the federal government, eventually turning the long-term economic trends into a downward spiral that nobody can act on in order to prevent or change? Or will occupants of the Oval Office attempt to emulate the most successful of presidential administrations, and seek to take a multi-front approach to policymaking that balances hard, hybrid, and soft powers, focusing on building lasting coalitions that establish longevity for policies, their economic impacts, and the type of leader that is in control of the White House? This study helped find a possible path forward for future presidents, but it will take both further research to help make that path more clear, as well as presidents willing to follow it in order for presidential powers to be deployed in a manner that has the greatest long-term impact on the national economy.

Conclusion

A Path Forward

Drawing on Our New Knowledge to Understand Future Presidential Policy Decisions and Their Impacts

“It’s amazing what you can accomplish if you do not care who gets the credit.”

-Harry S. Truman, Thirty-Third President of the United States of America

The Problem

This journey began with a single observation during the 2012 presidential election. A memorable moment during the second debate illustrated what seemed to be a change in how voters were holding presidents accountable for economic performance. In the past, academic research has devoted substantial resources to discover the links between people's concerns about the state of the national economy and presidential election results, focusing on how a president's impact on the economy during their time in office either determined their own reelection efforts or the outcomes of midterm elections and campaigns to succeed the current president. The research found significant correlations between people holding presidential candidates and their political parties accountable for economic conditions in times near national elections, with evidence pointing to presidents taking certain actions within their power to help positively influence the economy directly before an election in the hopes of such actions generating a positive result.

The town hall debate in 2012, however, seemed to be changing this long-held view. During the debate, both candidates were asked to respond to the following question from an audience member:

Governor Romney, I am an undecided voter, because I'm disappointed with the lack of progress I've seen in the last four years. However, I do attribute much of America's economic and international problems to the failings and missteps of the Bush administration. Since both you and President Bush are Republicans, I fear a return to the policies of those years should you win this election. What is the biggest difference between you and George W. Bush, and how do you differentiate yourself from George W. Bush?¹³⁷

The participant framed the question around their concern for the economy, aligning with previous research that stated economic issues are a driving force in voters' decision-making

¹³⁷ Commission on Presidential Debates, "October 16, 2012 Debate Transcript." October 16, 2012, Hofstra University, Hempstead, NY. <http://www.debates.org/index.php?page=october-16-2012-the-second-obama-romney-presidential-debate>

process. However, the voter states that they attribute America's economic problems to the Bush administration, even though in 2012, President George W. Bush had not been in office for four years. Why did the voter not attribute the slow growth following the 2008 financial collapse to the current Obama administration, as past political science and economic thought would lead us to believe?

In regards to the 2012 election, the credit (or in this case, blame) for economic well-being has taken on a more nuanced standard than previously observed by social scientists.

As Gary C. Jacobson points out:

The public's view of the economy was overwhelmingly negative: at the start of the election year, 79 percent of Americans had rated the economy as "fairly bad" or "very bad," and 68 percent continued to do so in October. And throughout the year, large majorities identified the weak economy as the most important national problem and election issue...

The public also doubted the efficacy of Obama's policies for dealing with economic challenges. His stimulus package (the American Recovery and Reinvestment Act of 2009) continued to get at best tepid reviews, although not as bad as in 2010; the results of an October 2012 Pew survey were typical: just 33 percent of respondents believed that it improved the economy, with 35 percent saying it made it worse and 27 percent saying it made no difference. On average, during 2012, only 43 percent of Americans approved of Obama's economic management...

Based on the historical record, economic conditions were clearly a major threat to Obama's reelection. How was he able to survive the threat?...What protected Obama from the full force of economic discontent? In a word, partisanship...Obama won because, despite the weak economy, he received overwhelming approval and electoral support from ordinary Democrats...

A good part of the reason is that Democrats could and did blame someone other than Obama for economic problems: George W. Bush...a majority of Americans continued to blame Bush more than Obama for economic conditions throughout Obama's first term...[and] among Democrats, however, the margin did not diminish at all.¹³⁸

¹³⁸ Jacobson, Gary C. 2013. "How the Economy and Partisanship Shaped the 2012 [US] Presidential and Congressional Elections." *Political Science Quarterly* 128 (1): 1-38.

Not only were voters shifting their belief in which president was responsible for the economy at any given time, but according to Jacobson, President Obama and Democrats had successfully used the long-term evaluation to help win reelection by putting the blame on the slow recovery on the previous president. However, as Tim Kane notes, assigning credit or blame for economic conditions is not an easy feat, especially when one is looking through a long-term lens. He states that:

At an April 21, 1961 news conference, President Kennedy famously remarked that, “victory has one hundred fathers, but defeat is an orphan.” The same might be said of expansions and recessions. Who should get credit for the mid-1990s boom? Reagan laid the institutional foundation. Bush made the tough fiscal compromise. Clinton cut taxes and put NAFTA into effect. All deserve credit, it would seem. But who deserves blame for the double-digit inflation of the late 1970s? A case can be made to blame Carter, Ford, Nixon, and Johnson.¹³⁹

Therefore, if the public is shifting away from simply attributing national economic well-being to the current president, it is imperative to determine which presidents are truly responsible for the state of the economy at any given time over the long-term. In doing so, voters will be better equipped to make a decision on which president was truly successful at achieving their stated goals, which presidents had a negative or positive impact on the economy, and which candidates, parties, and policies should be supported with their vote in future elections. Additionally, future presidents can better understand the impact each of their predecessors truly had on the national economy, and adjust their strategy and behavior accordingly in order to ensure the country experiences an upward trend in economic performance across a number of various indicators. Finally, doing so effectively ensures that a president can build

¹³⁹ Kane, Timothy. 2017. “Presidents and the US Economy from 1949 to 2016.” Economics Working Papers 17101, Hoover Institution, Stanford University.

the popularity, support, and coalition that allows for these successes to compound and multiply over each administration that comes into office, each trying to emulate the other in order to get credit for the economic success, rather than simply overriding all of the previous work of the presidents who came before and ensuring that no policy coming from the executive could last beyond the short-term.

What Have We Learned?

This study set out to find the answers to these questions and provide both the evidence necessary to chart a better path forward, as well as build a foundation for future research to better understand this change in voter perspective and its impact on national politics and economic conditions. It is this structure that makes up the Framework for Long-term Economic Examination (FLEX), which can be used to broaden these inquiries even further.

The first chapter examined whether or not presidents have the desire and incentive to influence the long-term national economy through the office's policymaking powers, and determine what those goals were for each of the selected presidents. The analysis was contained only to a select group of modern presidential administrations in order to ensure political neutrality, to limit outliers and unique historical anomalies that may exist in pre-modern and even more recent administrations, and to ensure accurate data on the long-term impact of policies could be gathered and analyzed. It should be noted that while these limitations allow for a clearer focus on this thesis's questions, further research should be undertaken to go beyond these restrictions.

Presidential addresses and interviews with top-level economic advisors indicate that every modern president has sought to influence the long-term national economy by using their presidential powers to enact policies that would have major economic consequences for the entire country. Each speech, address, and report by the selected presidents contained language (highlighted in bold above) that indicated a long-term view of their individual actions. While national addresses were often more high-level, big-picture focused, and meant to establish a comprehensive vision of the president's entire agenda, the Economic Reports of the President and interviews with various economic advisors throughout the past decades helped to identify specific economic policy goals for each administration, as well as confirmed that these policies were proposed with a long-term existence in mind. These long-term economic policy goals raise various new questions and identify that some goals are consistent across all administrations, while others are seemingly determined by the president's party or era. Answers to these questions come from understanding that presidents, both as candidates for the office as well as incumbents seeking to cement a positive legacy, are incentivized to create policies that the public views as having a positive economic impact on the nation. Therefore, presidents are oftentimes attempting to establish the long-term policies necessary to address consistent economic concerns for the nation, whether or not past presidents have attempted to do the same, and will also take on new issues that arise in the public's concern.

The second chapter provides data to answer the question of whether or not presidents can influence the long-term national economy through the office's policymaking powers. The chapter also determined which presidents and powers are most effective at enacting such policies. Analysis showed both successes and failures within each administration, and identified how each president used different types of available power.

The analysis further found that presidents that utilized both the hard and soft powers of coalition and party building, particularly when working with the Senate to ratify trade and investment treaties, more successfully enacted far-reaching and long-lasting economic policies, though these powers were not consistent in creating successes among every presidency.

This evidence appears to contradict Schlesinger's and Neustadt's traditional presidential power theories, because success rates were not continually increasing over time as more and more power became concentrated in an imperial office of the president, and persuasive presidents such as Clinton were less successful at enacting certain policies than less talented users of rhetoric and public opinion, such as W. Bush. Indeed, the evidence of presidential success actually indicates that long-term economic powers of the president fall in line with Skowronek's theory of presidents being subjects to what he calls "political time," stating:

It takes more than a new coalition and a new constitutional vision, more than a new program bursting with material services and supports with which to develop the nation's economy, more than political sensitivity to public opinion and skill manipulating it, but it also takes the correct political time and conditions to act.¹⁴⁰

Skowronek's theory, attests that political time is actually cyclical, and that the most successful presidents come into power during similar circumstances, as do those that are the least successful, and all follow identical tracks on how their presidencies develop. Those that are the most successful administrations are those that enter office during times of revolutionary political regime change, usually from one party to another, and often seek to establish new

¹⁴⁰ Skowronek, Stephen. 1997. *The Politics Presidents Make: Leadership from John Adams to Bill Clinton*, Revised Edition. Belknap Press. 119.

orders in opposition of those that seemingly failed in the previous administration, all of which could describe the presidencies of Reagan and Clinton. Their direct successors, such as H.W. Bush, can only try to sustain this revolution, but often come up shorter than the revolutionaries, as the ability to hold together such power and influence often wanes over time (Light's Paradox applied to the long-term). Eventually, the regime will fall apart and those trying to hold power during this time will often face the task of trying to bridge the fallen regime with the impending revolution, but most fail to reach the levels of support needed to achieve full revolutionary change due to the persistence of old guards in place. Finally, a new revolutionary will return and usher in the most drastic change seen in the presidency in years, and thus use all of the powers of the office to their greatest potentials in enacting desired policies.

This theory is the best at describing which presidents were successful in enacting long-term economic changes. The theory and the evidence provided from this study does provide a future framework to determine which presidents have had and will have in influencing the long-term national economy during their presidencies. Revolutionaries like Reagan and Clinton not only had the greatest amount of success in using coalition building to enact long-term economic policies, but they also benefited from the unique circumstances of opportunities of the political lifecycle that those less successful presidents did not experience. Carter could not end inflation, H.W. Bush was unable to continue Reagan's legacy, and W. Bush could not pass Social Security reform all because they were trying to make these things happen before the country was ready for the changes to take place. Instead, their efforts provided the basic framework for their successors' achievements, allowing them to draw on both the insight and failings of previous attempts and combine them with their own political resources to take advantage of a later political time and pass

sweeping, revolutionary policies that would have an impact on the long-term national economy.

By taking into account the long-term impact of presidential policies on multiple economic measures of well-being, it is clear that presidents do indeed have an impact on the national economy for years beyond their own time in office. Yet, the overall effectiveness of each administration over the long-term is almost identical to their overall performance in the short-term, with only marginal changes in the rankings of each president within the various categories of economic change. This should not be too surprising, however, because looking at the aggregate performance of the U.S. economy across multiple decades and various presidential administrations, there are general positive trends in various categories that suggest a president only has a minimal level of influencing these economic indicators in either the short- or long-term.

This thesis did find a consistent pattern for why certain administrations successfully have a positive, and potentially large, impact on the national economy. For example, both President Reagan and President Clinton were more successful at implementing long-term economic reform than President Carter, President Obama, or either President Bush. Upon further analysis, evidence appears to suggest that success comes from presidential efforts to push policies through a variety of means. Presidents were not only able to create necessary coalitions to support their policies, but they were also able to sustain these coalitions for a majority of their term. In cases where coalitions began to breakdown, there is also evidence that Presidents were able to build new collaborations by deploying various powers. For example, President Reagan was able to break the air traffic controller strike and President Clinton veto of the 1995-1996 budget and handling of the subsequent governmental shutdown. In these cases, presidents appear to have left office more popular than during the

middle of their term. President Reagan also benefited from the fact that this coalition and popularity building resulted in the election of his own vice president as his successor, effectively cementing many of his top policy achievements into the long-term fabric of U.S. policy, and thus, economic impact.

Yet the failures of certain administrations in meeting their economic goals can still be useful guidance for future administrations seeking positive economic change. For example, President Jimmy Carter's failures in relying on Executive Orders that were mostly overturned by future presidents, and having a key veto overridden by Congress, show that a president's hard powers are not the most effective means of creating policy that will be long-lasting, and therefore have a long-lasting impact. This is especially clear when it is shown that Carter's legislative accomplishments using his soft powers had an astronomical impact on both long-term policy and economic performance. Similarly, President George H.W. Bush's failure to sustain his predecessor's political coalition, and poor use of political rhetoric by going back on campaign promises, ended any chance for his administration to be reelected or have as large of an impact as he had hoped. Finally, the George W. Bush and Barack Obama presidencies showcase the dangers of growing partisanship on both policymaking and economic well-being, as each of these presidents were unable to sustain early legislative victories. In the case of President Obama in particular, the lack of a political alliances led to not only a struggle in deploying soft-powers, but even hybrid and hard powers with less reliance on Congress, but still capable of being checked by the other branches of government.

What Is the Significance?

What can these findings tell us about the actions of current and future presidents? Will rising political polarization continue to drive wedges between the Executive Branch and other parts of the federal government, eventually turning the long-term economic trends into a downward spiral that nobody can act on in order to prevent or change? Or will occupants of the Oval Office attempt to emulate the most successful of presidential administrations, and seek to take a multi-front approach to policymaking that balances hard, hybrid, and soft powers, focusing on building lasting coalitions that establish longevity for policies, their economic impacts, and the type of leader that is in control of the White House? This study helped find a possible path forward for future presidents to ensure they affect long-term economic policy. Further research, however, is required to suggest a template for the deployment of presidential powers to achieve the administration's goals.

The American Presidency Project at UC Santa Barbara has already begun tracking the actions of current President Joe Biden. The Project describes how the Biden campaign, like the previous administrations looked at in this study, identified a set of "Day One" priorities. These especially featured: Climate change (including reentering the Paris Agreement); diversity of political appointees; immigration and asylum; COVID-19 (and the related economic crisis); racial injustice; creating a path to citizenship for undocumented immigrants. By February 4th, each of these has been addressed in at least one ordering document, and all of them were addressed in orders on "day one."¹⁴¹ Among those actions, Biden had promised to submit legislation for Immigration Reform--which the White House announced on 1/20. The bill was introduced in the House on 2/18/21; Senate introduction

¹⁴¹ Peters, Gerhard, and John T. Woolley. April 30, 2021. "Biden in Action: the First 100 Days." The American Presidency Project. <https://www.presidency.ucsb.edu/analyses/biden-action-the-first-100-days>

was in the week of 2/22/21. However, in the past weeks, controversy has already arisen about whether Biden is reneging on his promise to restore refugee admissions in line with historic practices.¹⁴²

From the Project's table below, President Biden has followed in the footsteps of the Reagan and Clinton administrations, seemingly on track to produce high volumes of policies that can result in longer lasting, positive economic change in the long-run. As Table 18 shows, EO usage continues to grow with each administration, as does the number of prior EOs revoked by successive administrations. President Biden has outpaced all of his immediate successors by an enormous amount in both the total number of EOs issued. Yet, as his astronomically high number of prior EOs revoked should show him, the current president must realize that EOs are easily overturned if coalitions are not built and put in place to ensure not just the longevity of the orders, but also of the broader policies the president seeks to achieve.

¹⁴² Beitsch, Rebecca, and Rafael Bernal. May 5, 2021. "Biden Immigration Moves Under Scrutiny from Left and Right." <https://thehill.com/homenews/administration/551256-biden-immigration-moves-under-scrutiny-from-left-and-right>

Table 18: EOs by President in First 100 Days¹⁴³

| <i>President</i> | Start Date | End Date | Count of EOs | Count of EOs that Revoke Prior EOs | Number of Prior Orders Revoked |
|-------------------------|-------------------|-----------------|---------------------|---|---------------------------------------|
| <i>Joe Biden</i> | 1/20/2021 | 4/16/2021 | 40 | 19 | 62 |
| | | | | | |
| <i>Donald Trump</i> | 1/20/2017 | 4/16/2017 | 23 | 7 | 12 |
| | | | | | |
| <i>Barack Obama</i> | 1/20/2009 | 4/16/2009 | 19 | 7 | 9 |
| | | | | | |
| <i>George W. Bush</i> | 1/20/2001 | 4/16/2001 | 11 | 5 | 5 |
| | | | | | |

Though it is still early in his term, the president has already signed groundbreaking legislation, the American Rescue Plan Act of 2021 (ARPA). While the President currently enjoys Democratic majorities in both the House and Senate, the unified ability of Democrats to work together is showing some signs of division, as some Democratic Senators have publicly opposed immigration reform and a federal minimum wage hike.¹⁴⁴ If President Biden would like to avoid repeating President Obama’s path, he might examine President Clinton’s actions. President Clinton suffered a historic defeat on healthcare reform, but ultimately managed to have a large and positive impact on the long-term national economy.

¹⁴³ Peters, Gerhard, and John T. Woolley. April 30, 2021. “Biden in Action: the First 100 Days.” The American Presidency Project. <https://www.presidency.ucsb.edu/analyses/biden-action-the-first-100-days>

¹⁴⁴ Everett, Burgess. March 5, 2021. “8 Democrats Defect on \$15 Minimum Wage Hike.” Politico. <https://www.politico.com/news/2021/03/05/democrats-15-minimum-wage-hike-473875>

Evidence from this study suggests that despite growing political polarization, Biden should be well-equipped to maintain good relationships with Congress and strong coalitions to help him pass his desired policies, given his long career as a Senator and Vice-President, which make him the penultimate Washington-insider. This gives him a clear advantage over Clinton. Yet President George W. Bush had similar resources and suffered, like Obama, in maintaining the momentum from the beginning of his term to accomplish all of his policy goals. Thus, Biden will need to follow the path set out by this work's findings if he wishes to have a long-lasting and positive impact on the national economy:

- Balance use of all powers available to the presidency, not just relying solely on issuing EOs (which are easily overturned), nor wasting all energy and political capital on sweeping legislation (which could still fail, and thus, damage future legislative attempts)
- Balance keeping campaign promises without overloading controversial policies into the work at the start of the presidential term, as too much partisan policies will likely result in a referendum from the opposing party in the midterms, or even the next presidential election, jeopardizing any future policies being passed or upheld
- Take advantage of the work by previous presidents in order to build on their success. In President Biden's case, look to capitalize on the Trans-Pacific Partnership (TPP) trade agreement, which has the potential to create massive economic change for the country, similar to how President Clinton leveraged NAFTA to his advantage
- Counter growing partisanship with unique deployments of presidential power that don't just avoid confronting the opposition, but rather strengthen the

position of the president in the public's mind (similar to how President Clinton utilized the veto and government shutdown to his advantage over Republicans in Congress who tried to gut his budget proposal)

- Continue to build new coalitions in addition to trying to maintain the old, as it is more important to the longevity of policies if the administration is seen as more favorable by the public at the end of the term, rather than the beginning

What More Can Be Done?

In addition to these best practices, additional work can be done to provide an even more clear path forward for President Biden, and future occupants of the White House. As mentioned throughout this work, this study merely serves as a starting point to investigate the long-term impact of presidential policies on the national economy. To better understand this impact, and be able to prescribe the presidential powers and actions necessary to create positive economic change in the long-term will require much more nuanced and detailed study moving forward. A few key areas of focus include:

- More detailed analysis of direct correlations and causations between specific presidential policies and their impact on the national economy.
 - This study provided a list of various policies identified by the presidents themselves in their various speeches, addresses and economic reports.
 - However, these lists are not comprehensive of either all of the policies a president pursues, nor all the ones they successfully pass into law.

- A more detailed list of presidential policies for each president is thus needed to provide the full picture of what actions presidents take while in office that may impact the long-term economic conditions.
 - More detailed documenting of each of these policies is required to understand whether or not they had any impact in the long-run.
 - This study provided a high-level count of certain presidential policies, and whether or not they were initially passed, and whether or not they survived into the long-term time period past the president's own time in office. However, as more details on the full policy actions come into focus (see point above), it becomes more critical to document the short- and long-term status of each of these policies.
 - Direct empirical analysis connecting each policy to their likely economic impact in the long-term.
 - While this study examined the broad economic trends over the long-term time period for each president, and discussed how each identified policy (or failed policy) impacted these and other economic factors, more work can, and should be, done in order to be able to draw direct lines between specific actions and specific outcomes.
- Additional analysis of presidents outside of the sample in this study.
 - While the presidents in this study were chosen for specific reasons of controls and available data, efforts should be made to perform long-term economic evaluations on all of the past presidents in order to better identify patterns over time.
- Consideration of additional presidential powers and economic measures of success.

- While this study tried to be more comprehensive than past works in regards to measurements used both for presidential actions and economic measures of success, it is still not complete.
 - Though seemingly unlikely to have a great amount of impact on the national economy, presidential powers such as pardons need to also be analyzed for potential impact.
 - Likewise, additional economic measures, such as trade deficits, national savings rates, etc. should be added to any analysis in order to provide a full picture of all of the different ways a president can impact the economy, and how these policies impact real people.

Work in each of these areas, and several others, would better equip academics, government officials, and potential presidents to understand how each of the White House's actions and inactions will impact the national economy, thus allowing them to focus only on those that would have a positive outcome in the long-term.

Final Thoughts

Presidents often face insurmountable challenges when trying to pass any type of policy. This is even more true with policies that are overtly complicated, multi-faceted, and wide-reaching, such as those with the potential to impact the national economy in the long-term. This essay by no means satisfies the criteria of serving as a guide to any Commander-in-Chief seeking answers to all of their policymaking questions. However, it does serve as a starting point on the path to better understand. The study makes clear that the long-term consequences of a president's actions are important, not just to president's themselves

seeking to shape their own legacy, but also the voting public. Concentrating on creating positive economic change in the long-run benefits not only the country at large, but also the chances of a president receiving the support they need to accomplish their various goals, for themselves, their party, and their country. As President Lyndon Johnson said, “It's not doing what is right that's hard for a President. It's knowing what is right.” This and future studies will allow presidents a better understanding of what is right in creating long-term economic well-being.

Appendix

The following interviews were conducted in late 2013. Each questionnaire contains the same five questions seeking insight into the respondent's expertise and experiences as a chief economic advisor to one of the six U.S. Presidents studied in this essay. Respondents were initially contacted through email requests asking to respond to the survey. Of the ten current and form Directors of the National Economic Council, eight requests were successfully sent and two participated in the survey (25% success rate), while three of the fifteen Chairmen of the Council of Economic Advisers completed the survey (20% success rate). Of the five completed responses, four were filled out electronically and sent back at the respondent's own leisure, with follow-up questions and clarification done by email, while one survey was conducted by phone interview, interspersing the same five key questions with additional relevant dialogue. The following pages contain the original forms of questions and answers from the respondents, all of whom declined to have their answers published anonymously and which were used throughout this study as a key original resource material.

1

Interview of: Dr. Austan Goolsbee

Email: goolsbee@chicagobooth.edu

Requests Anonymity:

_____ Yes _____ No

Interview Date: November 13, 2013

My name is Michael Lyons and I am currently working toward both a Master of Arts in Government and a Master of Science in Applied Economics from Johns Hopkins University. This interview will be used toward my master's thesis, which seeks to determine which presidential executive powers have the greatest impact on implementing long-term economic policies. I hope to continue this research as I pursue my doctorate, as well. Thank you for your time – I appreciate any and all knowledge you're willing to bestow on me, not only from your position as Chairman of the Council of Economic Advisers to President Obama, but also as a leading economist.

Questions:

1. Were there any long-term economic policies, or policies that would have large long-term impacts on the national economy, that the Obama Administration sought to accomplish? If so, what were these policies? If not, why weren't there?

Let's think about this in the context of the ARRA. There was a disagreement among advisors over the nature of the recession and whether it would be a sharp V shaped recession/recovery or a long, extended slow recovery. For the V shape advocates, the stimulus should be as quick as possible because long-run things would only get spent after the recovery had already begun, making them inflationary and not addressing the pressing issues. For the group saying extended and slow, the situation called for long-term investment in economic infrastructure, clean energy technology and the like. Unable to decide, mostly it ended up being a collection of some of a lot of things, some short and some long.

2. How did the Obama Administration plan on achieving these long-term goals? What were the main tools and/or presidential powers intended to be used to accomplish this?

Mainly these were policy and legislative decisions.

3. What institutional roadblocks and pushback did the administration face from other policy makers and political groups while trying to implement these policies? How were these challenges overcome? If they were not, why?

Main roadblocks were two: 1) internally, economists often had disagreements over the nature and progress of the economy—like in 2010 trying to decide if the economy was sufficiently recovered that it made sense to start cutting the deficit in the short-run or not or whether to save the auto industry with a bailout in 2009, 2) externally, the rise of republican opposition in congress seemingly intent on

opposing anything the president supported. It's pretty hard to do policy and legislative policy or even nominate people for jobs in that environment.

4. Were the originally intended tools and powers of the president enough to overcome all opposition or were new methods utilized to reach the end goal? If so, what were they and why were they not in the original plans?

Don't know about that one.

5. Finally, were the Obama Administration's goals reached and was President Obama and his staff satisfied with the end result? If not, why? How have any accomplishments continued to impact the national economy today?

Many goals were reached and the most important—that we not have another great depression—will be remembered by historians forever as a very substantial accomplishment. The financial and economic hit to the economy was larger than the one in 1929 so it could easily have been just as bad or worse as the experience of the 1930s had the financial system collapsed.

But it's clear that the recovery has been slow and extended and the job market remains deeply scarred with a long way to go before it could be considered a complete success.

2 **Interview of:** Dr. Harvey S. Rosen
Email: hsr@princeton.edu
Interview Date: November 13, 2013

Requests Anonymity:
_____ Yes _____ No

My name is Michael Lyons and I am currently working toward both a Master of Arts in Government and a Master of Science in Applied Economics from Johns Hopkins University. This interview will be used toward my master's thesis, which seeks to determine which presidential executive powers have the greatest impact on implementing long-term economic policies. I hope to continue this research as I pursue my doctorate, as well. Thank you for your time – I appreciate any and all knowledge you're willing to bestow on me, not only from your position as the Chairman of the Council of Economic Advisers to President Bush, but also as a leading economist.

Questions:

1. Were there any long-term economic policies, or policies that would have large long-term impacts on the national economy, that the Bush Administration sought to accomplish? If so, what were these policies? If not, why weren't there?

During my tenure on the CEA, the policy that would have had the greatest long-term impact on the national economy was the reform of the Social Security system. Social Security is actuarially unsound, and the purpose of the proposal was to put it on a firm long-term financial basis.

2. How did the Bush Administration plan on achieving these long-term goals? What were the main tools and/or presidential powers intended to be used to accomplish this?

The president made several speeches, as did several senior members of his administration. As well, members of the president's staff lobbied members of congress as well as many of the important stakeholders (e.g., AARP).

3. What institutional roadblocks and pushback did the administration face from other policy makers and political groups while trying to implement these policies? How were these challenges overcome? If they were not, why?

One challenge was that several of the stakeholders believed that any change to the existing law would lead to others, and the entire government safety net would unravel. Another challenge was that during the Bush administration, like now, the political atmosphere in Washington was poisonous, and Democrats, as well as their political allies, were not willing to do anything that would give the president a victory. Finally, it proved impossible to convince the stakeholders that there was a sense of urgency, i.e., that the program was not on a viable long-term financial path. In particular, Members of Congress are not inclined to make any difficult political decisions unless they are confronted with an immediate crisis.

4. Were the originally intended tools and powers of the president enough to overcome all opposition or were new methods utilized to reach the end goal? If so, what were they and why were they not in the original plans?

Unfortunately, they were not. My own view is that there would have been a higher probability of success if the president had been explicit during the 2004 campaign that if he were elected, he would pursue Social Security reform. Hence, even though he was elected, he really didn't have a mandate.

5. Finally, were the Bush Administration's goals reached and was President Bush and his staff satisfied with the end result? If not, why? How have any accomplishments continued to impact the national economy today?

Everyone was bitterly disappointed that we made no progress on this effort.

3 **Interview of:** Mr. Allan Hubbard
Email: ahubbard@ea-companies.com
Interview Date:

Requests Anonymity:
_____ Yes _____ No

My name is Michael Lyons and I am currently working toward both a Master of Arts in Government and a Master of Science in Applied Economics from Johns Hopkins University. This interview will be used toward my master's thesis, which seeks to determine which presidential executive powers have the greatest impact on implementing long-term economic policies. I hope to continue this research as I pursue my doctorate, as well. Thank you for your time – I appreciate any and all knowledge you're willing to bestow on me, not only from your position as the Director of the National Economic Council to President Bush, but also as a leading expert.

Questions:

1. Were there any long-term economic policies, or policies that would have large long-term impacts on the national economy, that the Bush Administration sought to accomplish? If so, what were these policies? If not, why weren't there?

The tax cuts of 2001 & 2003, Medicare D, several trade acts, and energy policies, all of which we were successful in enacting. We also attempted social security reform, immigration reform, and healthcare reform, all of which were not.

2. How did the Bush Administration plan on achieving these long-term goals? What were the main tools and/or presidential powers intended to be used to accomplish this?

Legislative lobbying mostly. Medicare was very successful using this method to pass and then implement, while HHS Secretary Levitz helped by doing an education campaign on the road to gain public support for it as well.

3. What institutional roadblocks and pushback did the administration face from other policy makers and political groups while trying to implement these policies? How were these challenges overcome? If they were not, why?

Challenges from 2005 to 2006 often resulted from Democratically controlled Congress who blocked privatizing Social Security. Ironically, it was Republicans who blocked immigration reform, and both parties were reluctant to tackle healthcare reform, leaving no traction for the administration who had only a few supporters in the Senate (Republicans were not ready for such a political issue and Democrats were not helpful).

4. Were the originally intended tools and powers of the president enough to overcome all opposition or were new methods utilized to reach the end goal? If so, what were they and why were they not in the original plans?

Immigration began without enough security for some, and because initial efforts did not emphasize it enough, the entire messaging had to be retooled. Medicare reform originally provided D and voucher, but had to drop the voucher system due to opposition. Legislation is always a back and forth.

5. Finally, were the Bush Administration's goals reached and was President Bush and his staff satisfied with the end result? If not, why? How have any accomplishments continued to impact the national economy today?

President Bush got a lot done, but everyone was frustrated over what wasn't done.

Were able to establish lower tax rates that allowed for more money in the private sector and President Obama could not undo it, trade deals increased free trade, and Medicare Part D gave seniors better access to needed drugs and proved that a free market system works with 30% less than projected costs for the changes.

4 **Interview of:** Mr. Keith Hennessey
Email: keith@keithhennessey.com
Interview Date: November 14, 2013

Requests Anonymity:
_____ Yes _____ No

My name is Michael Lyons and I am currently working toward both a Master of Arts in Government and a Master of Science in Applied Economics from Johns Hopkins University. This interview will be used toward my master's thesis, which seeks to determine which presidential executive powers have the greatest impact on implementing long-term economic policies. I hope to continue this research as I pursue my doctorate, as well. Thank you for your time – I appreciate any and all knowledge you're willing to bestow on me, not only from your position as the Director of the National Economic Council to President Bush, but also as a leading expert.

Questions:

1. Were there any long-term economic policies, or policies that would have large long-term impacts on the national economy, that the Bush Administration sought to accomplish? If so, what were these policies? If not, why weren't there?

Absolutely. In 2002 and early 2003 we had a short-term focus, as well as in the second half of 2008. During the rest of the Bush Administration our principal economic focus was on policies to maximize long-term economic growth. The income tax rate cuts, dividend tax rate cuts, Social Security reforms, and energy policies are all notable examples of a long-term policy focus.

2. How did the Bush Administration plan on achieving these long-term goals? What were the main tools and/or presidential powers intended to be used to accomplish this?

In almost all cases we needed to persuade Congress to act. Economic policy is made principally by the legislative branch of government, so we were using the President's and Administration's powers of persuasion to get them to act. In some cases we were successful, in others less so.

3. What institutional roadblocks and pushback did the administration face from other policy makers and political groups while trying to implement these policies? How were these challenges overcome? If they were not, why?

This is too broad of a question for me to answer. But our primary non-policy constraint was legislative rather than political. In the Bush White House we focused on good policy that implemented the President's values and choices. Interest group and political pressure was relevant principally to the extent that it constrained our ability to get the votes we needed in Congress.

4. Were the originally intended tools and powers of the president enough to overcome all opposition or were new methods utilized to reach the end goal? If so, what were they and why were they not in the original plans?

Our methods were fairly straightforward: design a good policy, propose it, work with Congress to enact it. We rarely used "other tools."

5. Finally, were the Bush Administration's goals reached and was President Bush and his staff satisfied with the end result? If not, why? How have any accomplishments continued to impact the national economy today?

Again, this is too broad of a question for a good answer. Some of our goals were enacted into law and will likely remain in place for a long time. Others were successful at the time but have been modified or repealed since President Bush left office. Still others, like Social Security reform, were not enacted or even considered legislatively when they were proposed by President Bush, but that doesn't mean they were unsuccessful. I am confident they will serve as models for future legislation, so we were laying the groundwork for a future debate.

5 **Interview of:** Dr. Murray Weidenbaum
Email: moseley@wustl.edu
Interview Date: November 14, 2013

Requests Anonymity:
_____ Yes _____ No

My name is Michael Lyons and I am currently working toward both a Master of Arts in Government and a Master of Science in Applied Economics from Johns Hopkins University. This interview will be used toward my master's thesis, which seeks to determine which presidential executive powers have the greatest impact on implementing long-term economic policies. I hope to continue this research as I pursue my doctorate, as well. Thank you for your time – I appreciate any and all knowledge you're willing to bestow on me, not only from your position Chairman of the Council of Economic Advisers to President Reagan, but also as a leading economist.

Questions:

1. Were there any long-term economic policies, or policies that would have large long-term impacts on the national economy, that the Reagan Administration sought to accomplish? If so, what were these policies? If not, why weren't there?

Basically to strengthen the private sector by reducing the role of government, in all its dimensions.

2. How did the Reagan Administration plan on achieving these long-term goals? What were the main tools and/or presidential powers intended to be used to accomplish this?

We issued in February 1981 a detailed plan of action (Reaganomics). The main tools were tax cuts, spending cuts, and regulatory reform. Aside from regulatory reform, most of the plan required congressional approval. The major "tools" were presidential speechmaking and working with Congress.

3. What institutional roadblocks and pushback did the administration face from other policy makers and political groups while trying to implement these policies? How were these challenges overcome? If they were not, why?

Every change was objected to by one interest group or another. Key administration officials testified before congressional committees and worked with members and their staffs.

4. Were the originally intended tools and powers of the president enough to overcome all opposition or were new methods utilized to reach the end goal? If so, what were they and why were they not in the original plans?

Not applicable.

5. Finally, were the Reagan Administration's goals reached and was President Reagan and his staff satisfied with the end result? If not, why? How have any accomplishments continued to impact the national economy today?

On balance, there was a general belief that President Reagan had made a big and lasting difference. Inflation was the public's #1 concern when he took office. It has not been a serious problem since. His successful effort at across-the-board tax cuts has been followed since. The budget deficits were not planned, but they have been greatly exceeded since.

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Curriculum Vita

Education

Johns Hopkins University

2012 – 2021

- MS in Applied Economics
- MA in Government

The Ohio State University

2007 – 2011

- BA in Political Science
- BA in Economics
- Minor in History
- Graduated Cum Laude, with Honors

Georgetown University

Summer 2010

- The Fund for American Studies (TFAS) Summer Internship and Academic Program
- Certificate in Public Policy and Economics
- Internship with the Federal Managers Association (FMA)

Cambridge High School

2003 – 2007

- Valedictorian
- Class President
- Letterman for Varsity Football Team

Experience

Substitute Teacher for Arlington Public Schools (APS)

November 2019 - May 2020

Served as a substitute teacher for various subjects in elementary, middle, and high schools throughout APS

- Served as long-term substitute for 6th grade U.S. History course at Thomas Jefferson Middle School
- Served as long-term substitute for 9th and 11th grade English courses at Arlington Career Center

Strategic Leader at EAB

March 2018 – March 2019

Served as the primary relationship owner and project manager for university and college clients, consulting with senior academic leaders to implement a student success technology platform that identifies and overcomes systemic obstacles to student retention and graduation.

- Led the facilitation of 20 in-person, all-day events, including lectures on the state of the national higher education landscape, process mapping and improvement sessions, and brainstorming activities around implementation of new tools and best practices. Also led dozens of additional online video sessions
- Served as the primary consultant for nine different institutions at once, seven of which were new technology partners that needed guidance on implementation, site building, and deployment, and two of which were brought to the second phase of technology usage, including strategic leveraging of the online platform and scaling of successful interventions
- Selected to serve on inaugural Engagement Council for entire Student Success team at EAB (consisting of over 50 colleagues), working with eight other representatives as culture leaders seeking to improve, through various firm-wide initiatives, team dynamics, processes, workflows, and output

Program Coordinator at the Charles Koch Foundation

August 2014 – November 2017

Served as the supervisor to numerous employees and interns, including managing their professional development, assessing their performance, and providing formal feedback and reviews, some of which were part of my ownership of efforts to identify talent necessary to build out two separate teams

- Began as a Research Assistant helping to produce a number of academic-level reports on various economic and political topics before being promoted and serving as a project lead, supervisor, and hiring manager for multiple teams across the Foundation.
- Owned and facilitated multi-year and multi-thousand dollar academic grants to universities, professors, and K12 institutions, including managing the selection process for two multi-million dollar annual scholarship programs with over 600 applicants each
- Coordinated team-wide efforts to develop accurate quarterly reporting, which became organizational-wide standard for future reporting
- Drove the development, tracking, & deployment of the Resource Bank, a suite of over 150 pages of materials (written speeches, press releases, videos, graphics, slideshows, and more) used by staff members to engage donors, faculty, & university administrators with compelling anecdotes, data, and images regarding Charles Koch Foundation's investment opportunities
- Researched and drafted over 100 briefs and other supporting documents for one-on-one donor interactions by Charles Koch Foundation representatives
- Served as an adjunct faculty member for the Charles Koch Institute's academic and professional programs, teaching four semesters of courses and reading discussions for over 100 students

Private Campaign Consultant for Numerous Nonprofits

March 2013 – July 2013

Returned to grassroots campaign management, successfully applying the knowledge and skills I had gained in fundraising, messaging, and working with nonprofit and advocacy groups during my tenure at Active Engagement to successfully engage voters on various issues across the nation.

- Served as Virginia Field Director for Generation Opportunity, where I led efforts to identify, engage, and mobilize 15,000 young voters between the ages of 18 and 29 living in Virginia on key policy issues being raised during 2013 statewide elections, and registering over 1,500 new voters in the state
- Led the issue-advocacy campaign for a nonprofit client of DB Capitol Strategies during a special-election congressional race
- Built and coordinated the outreach efforts of various teams consisting of staff, activists, as well as a dozen volunteers, and interns
- Represented organizations at three state-wide events, including the 2013 Virginia Republican State Convention
- Developed and managed campaigns' volunteer recruitment strategy, door-to-door initiatives, promotional materials, talking points, campaign literature, GOTV strategy, and the overall campaign budget
- Functioned as point-person and contact for campaigns among local leaders, business owners, activists and students

Account Manager at Active Engagement

July 2012 – Feb. 2013

Managed multiple online political fundraising campaigns for several nonprofit, PAC, and private candidate clients.

- Individual efforts broke all previous monthly, quarterly, and yearly sales records, and increased client revenues between 40% and 80% each
- These efforts included serving as primary point of contact to for six different clients, managing objectives and expectations for each
- Created programs to meet client goals, executing said plans with minimal oversight
- Coordinated strategies and messaging with the firm's partner direct mail company
- Used several online platforms to develop, test, and grow online fundraising, including direct email deployments, social media outreach on Twitter, Facebook, YouTube, and several different Google AdWord programs

Campaign Manager for Evan Feinberg for Congress

November 2011 – April 2012

Congressional campaign's team leader for 2012 primary election.

- Led all strategy, deployment, and management efforts for all voter outreach and Get Out the Vote (GOTV) attempts, resulting in the candidate receiving almost 19,000 votes (over one third) against a ten year incumbent candidate of the same party, who went on to win the general election by almost 100,000 votes
- This included the direction of the successful collection of 2,500 petition signatures, more than the 1,500 necessary to get the candidate's name on the ballot
- Managed a staff of 8 employees, as well as almost 50 volunteers